SENATE JOURNAL

STATE OF ILLINOIS

NINETY-SECOND GENERAL ASSEMBLY

17TH LEGISLATIVE DAY

TUESDAY, MARCH 27, 2001

12:45 O'CLOCK P.M.

No. 17 [Mar. 27, 2001] The Senate met pursuant to adjournment.

Honorable James "Pate" Philip, Wood Dale, Illinois, presiding.
Prayer by Father Richard La Pata, President, Fenwick High School,
Oak Park, Illinois.

Senator Radogno led the Senate in the Pledge of Allegiance.

The Journal of Tuesday, March 20, 2001, was being read when on motion of Senator Myers further reading of same was dispensed with and unless some Senator had corrections to offer, the Journal would stand approved. No corrections being offered, the Journal was ordered to stand approved.

The Journal of Wednesday, March 21, 2001, was being read when on motion of Senator Myers further reading of same was dispensed with and unless some Senator had corrections to offer, the Journal would stand approved. No corrections being offered, the Journal was ordered to stand approved.

The Journal of Thursday, March 22, 2001, was being read when on motion of Senator Myers further reading of same was dispensed with and unless some Senator had corrections to offer, the Journal would stand approved. No corrections being offered, the Journal was ordered to stand approved.

REPORTS RECEIVED

The Secretary placed before the Senate the following reports:

A report on the Flexible Work Requirements submitted by the Department of Professional Regulation as required by Public Act 87-552.

A Quarterly Procurement Activity Report, October-December 2000, submitted by the Metropolitan Pier and Exposition Authority.

The foregoing reports were ordered received and placed on file in the Secretary's Office.

LEGISLATIVE MEASURES FILED

The following floor amendments to the Senate Bills listed below have been filed with the Secretary, and referred to the Committee on Rules:

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Senate Amendment No. 1 to Senate Bill 62
Senate Amendment No. 1 to Senate Bill 209
Senate Amendment No. 2 to Senate Bill 273
Senate Amendment No. 1 to Senate Bill 617
Senate Amendment No. 1 to Senate Bill 627
Senate Amendment No. 1 to Senate Bill 880
Senate Amendment No. 1 to Senate Bill 984
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MESSAGES FROM THE HOUSE OF REPRESENTATIVES

A message from the House by

Mr. Rossi, Clerk:

Mr. President -- I am directed to inform the Senate that the

House of Representatives has passed bills of the following titles, in the passage of which I am instructed to ask the concurrence of the Senate, to-wit:

HOUSE BILL NO. 23

A bill for AN ACT in relation to health. HOUSE BILL NO. 542

A bill for AN ACT to amend the Firearm Owners Identification Card Act by adding Section 13.3.

HOUSE BILL NO. 752

A bill for AN ACT concerning dental hygiene.

HOUSE BILL NO. 1070

A bill for AN ACT concerning property.

HOUSE BILL NO. 1973

A bill for AN ACT concerning fire protection.

HOUSE BILL NO. 2249

A bill for AN ACT concerning certain lending practices.

HOUSE BILL NO. 2265

A bill for AN ACT concerning vehicles.

HOUSE BILL NO. 2266

A bill for AN ACT concerning vehicles.

HOUSE BILL NO. 2295

A bill for AN ACT concerning criminal law.

HOUSE BILL NO. 3094

A bill for AN ACT in relation to controlled substances.

Passed the House, March 22, 2001.

ANTHONY D. ROSSI, Clerk of the House

The foregoing House Bills numbered 23,542,752,1070,1973,2249,2265,2266,2295 and 3094 were taken up, ordered printed and placed on first reading.

A message from the House by

Mr. Rossi, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has passed bills of the following titles, in the passage of which I am instructed to ask the concurrence of the Senate, to-wit:

HOUSE BILL NO. 371

A bill for AN ACT concerning appropriations.

HOUSE BILL NO. 480

A bill for AN ACT concerning guaranteed job opportunity projects. HOUSE BILL NO. 862

A bill for AN ACT concerning higher education.

HOUSE BILL NO. 1700

A bill for AN ACT in relation to taxes, amending named Acts.

HOUSE BILL NO. 2189

A bill for AN ACT concerning Frank Holten State Park.

HOUSE BILL NO. 2230

A bill for AN ACT concerning the Department of Human Services.

HOUSE BILL NO. 3068

A bill for AN ACT concerning electronic fund transfers.

HOUSE BILL NO. 3563

A bill for AN ACT concerning attorneys.

Passed the House, March 22, 2001.

ANTHONY D. ROSSI, Clerk of the House

The foregoing House Bills numbered 371, 480, 862, 1700, 2189, 2230, 3068 and 3563 were taken up, ordered printed and placed on first reading.

A message from the House by

Mr. Rossi, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has passed bills of the following titles, in the passage of which I am instructed to ask the concurrence of the Senate, to-wit:

HOUSE BILL NO. 376

A bill for AN ACT concerning executions.

HOUSE BILL NO. 513

A bill for AN ACT to amend the Illinois Pension Code by changing Section $14\text{--}104\,.$

HOUSE BILL NO. 596

A bill for AN ACT in relation to elderly persons and persons with disabilities.

HOUSE BILL NO. 678

A bill for AN ACT relating to schools.

HOUSE BILL NO. 681

A bill for AN ACT concerning factory built housing.

HOUSE BILL NO. 977

A bill for AN ACT concerning education.

HOUSE BILL NO. 2375

A bill for AN ACT in relation to criminal law.

 $$\operatorname{\mathtt{HOUSE}}$ BILL NO. 2379 A bill for AN ACT in relation to taxes.

HOUSE BILL NO. 3099

A bill for AN ACT concerning special license plates.

HOUSE BILL NO. 3119

A bill for AN ACT concerning fiscal notes.

Passed the House, March 22, 2001.

ANTHONY D. ROSSI, Clerk of the House

The foregoing House Bills numbered 376, 513, 596, 678, 681, 977, 2375, 2379, 3099 and 3119 were taken up, ordered printed and placed on first reading.

A message from the House by

Mr. Rossi, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has passed bills of the following titles, in the passage of which I am instructed to ask the concurrence of the Senate, to-wit:

HOUSE BILL NO. 207

A bill for AN ACT concerning unclaimed property.

HOUSE BILL NO. 604

A bill for AN ACT relating to facility planning areas.

HOUSE BILL NO. 842

A bill for AN ACT to create the Carbon Sequestration Study Act.

HOUSE BILL NO. 1008

A bill for AN ACT concerning county commissioners.

HOUSE BILL NO. 1551

A bill for AN ACT concerning public health and safety.

HOUSE BILL NO. 1845

A bill for AN ACT in relation to education.

HOUSE BILL NO. 1988

A bill for AN ACT concerning township officers.

HOUSE BILL NO. 1989

A bill for AN ACT concerning insurance.

HOUSE BILL NO. 2278

A bill for AN ACT in relation to taxes.

HOUSE BILL NO. 2567

A bill for AN ACT creating the Illinois Workforce Investment Board.

HOUSE BILL NO. 3192

A bill for AN ACT concerning education.

Passed the House, March 23, 2001.

ANTHONY D. ROSSI, Clerk of the House

The foregoing House Bills numbered 207, 604, 842, 1008, 1551, 1845, 1988, 1989, 2278, 2567 and 3192 were taken up, ordered printed and placed on first reading.

A message from the House by

Mr. Rossi, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the adoption of the following joint resolution, to-wit:

SENATE JOINT RESOLUTION NO. 20

Concurred in by the House, March 23, 2001.

ANTHONY D. ROSSI, Clerk of the House

A message from the House by $\,$

Mr. Rossi, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has passed bills of the following titles, in the passage of which I am instructed to ask the concurrence of the Senate, to-wit:

HOUSE BILL NO. 36

A bill for AN ACT concerning agriculture.

HOUSE BILL NO. 352

A bill for AN ACT relating to schools.

HOUSE BILL NO. 854

A bill for AN ACT concerning veterans homes.

HOUSE BILL NO. 921

A bill for AN ACT concerning the regulation of professions.

HOUSE BILL NO. 1046

A bill for AN ACT concerning computers.

HOUSE BILL NO. 1851
A bill for AN ACT regarding higher education student assistance.

HOUSE BILL NO. 1927

A bill for AN ACT concerning schools.

HOUSE BILL NO. 2392

A bill for AN ACT concerning conveyances.

HOUSE BILL NO. 2511

 ${\tt A}$ bill for ${\tt AN}$ ACT to create the Illinois Africa-America Peace Brigade.

HOUSE BILL NO. 3557

A bill for AN ACT concerning firefighting.

Passed the House, March 26, 2001.

ANTHONY D. ROSSI, Clerk of the House

The foregoing House Bills numbered 36, 352, 854, 921, 1046, 1851, 1927, 2392, 2511 and 3557 were taken up, ordered printed and placed on first reading.

A message from the House by

Mr. Rossi, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has passed bills of the following titles, in the passage of which I am instructed to ask the concurrence of the Senate, to-wit:

HOUSE BILL NO. 201

A bill for AN ACT concerning the Office of Secretary of State.

HOUSE BILL NO. 448

A bill for AN ACT in relation to assistance for low-income persons.

HOUSE BILL NO. 770

A bill for AN ACT concerning associate judges.

HOUSE BILL NO. 2001

A bill for AN ACT in relation to tobacco. HOUSE BILL NO. 3126

A bill for AN ACT in relation to health.

HOUSE BILL NO. 3136

A bill for AN ACT in relation to public employee benefits.

HOUSE BILL NO. 3246

A bill for AN ACT concerning vehicles.

Passed the House, March 26, 2001.

ANTHONY D. ROSSI, Clerk of the House

The foregoing House Bills numbered 201, 448, 770, 2001, 3126, 3136 and 3246 were taken up, ordered printed and placed on first reading.

EXCUSED FROM ATTENDANCE

On motion of Senator Demuzio, Senator Smith was excused from attendance due to illness.

Senator Maitland was excused from attendance due to illness.

PRESENTATION OF RESOLUTIONS

SENATE RESOLUTION NO. 90

Offered by Senator W. Jones and all Senators: Mourns the death of Orville F. Helms of Palatine.

SENATE RESOLUTION NO. 91

Offered by Senator Link and all Senators:

Mourns the death of Lawrence Allen Jones of North Chicago.

SENATE RESOLUTION NO. 92

Offered by Senator Demuzio - E. Jones and all Senators: Mourns the death of Beatty Taylor Burke III of Carlinville.

SENATE RESOLUTION NO. 93

Offered by Senator Shadid and all Senators: Mourns the death of Vern Spong of Peoria.

The foregoing resolutions were referred to the Resolutions Consent Calendar. $\parbox{\ensuremath{\mbox{\sc Consent}}}$

MESSAGE FROM THE GOVERNOR

A Message for the Governor by Michael P. Madigan Director, Legislative Affairs

March 27, 2001

Mr. President,

The Governor directs me to lay before the Senate the Following Message:

STATE OF ILLINOIS EXECUTIVE DEPARTMENT

To The Honorable Members of the Senate Ninety-Second General Assembly:

I have nominated and appointed the following named persons to the offices enumerated below and respectfully ask concurrence in and confirmation of these appointments of your Honorable Body:

CIVIL SERVICE COMMISSION

To be a member of the Civil Service Commission for a term ending March 1, 2005:

John M. Dorgan of Rosemont Salaried

To be a member and Chairman of the Civil Service Commission for a term ending March 1, 2007:

George E. Richards of Danville Salaried

COURT OF CLAIMS

To be a judge of the Court of Claims for a term ending January 15, 2007:

Norma S. Finley-Jann of Chicago Salaried

DEPARTMENT OF LABOR

To be the Chief Factory Inspector in the Department of Labor for a term ending January 20, 2003:

Charles R. Duncan of Decatur Salaried

EDUCATIONAL LABOR RELATIONS BOARD

To be a member and Chairman of the Educational Labor Relations Board for a term ending February 1, 2006:

Gerald E. Berendt of Woodstock Salaried

HUMAN RIGHTS COMMISSION

To be members of the Human Rights Commission for terms ending January 17, 2005:

Marylee V. Freeman of Chicago Salaried

Sakhawat Hussain of Frankfort Salaried

Yvette Kanter of Highland Park Salaried

Arabel Alva Rosales of Chicago Salaried

ILLINOIS STATE TOLL HIGHWAY AUTHORITY

To be a member of the Illinois State Toll Highway Authority for a term ending May 1, 2003:

Kenneth G. Cabay of Deer Park Salaried

INDUSTRIAL COMMISSION

To be members of the Industrial Commission for terms ending January 17, 2005:

Barbara A. Sherman of Chicago Salaried

Douglas F. Stevenson of Roselle Salaried

PRISONER REVIEW BOARD

To be a member and Chairman of the Prisoner Review Board for a term ending January 15, 2007:

Anne R. Taylor of Champaign Salaried

To be a member of the Prisoner Review Board for a term ending January 15, 2007:

Craig Findley of Jacksonville Salaried

STATE BOARD OF ELECTIONS

To be a member of the State Board of Elections for a term ending June 30, 2003:

John R. Keith of Springfield Salaried

AGRICULTURAL EXPORT ADVISORY COMMITTEE

To be members of the Agricultural Export Advisory Committee for terms ending January 20, 2003:

Carlos E. Bendfeldt of Chicago Non-Salaried

Richard J. Lightart of Lemont Non-Salaried

David James Lucas of Champaign Non-Salaried

Kathryn Miller of Chicago Non-Salaried

Chris Van Rossem of Springfield Non-Salaried

BOARD OF TRUSTEES CHICAGO STATE UNIVERSITY

To be a member of the Chicago State University Board of Trustees for a term ending January 15, 2007:

Jacoby D. Dickens of Olympia Field Non-Salaried

BOARD OF TRUSTEES EASTERN ILLINOIS UNIVERSITY

To be members of the Eastern Illinois University Board of Trustees for terms ending January 15, 2007:

Betsy D. Mitchell of Savoy Non-Salaried

Julie M. Ward of Springfield Non-Salaried

BOARD OF TRUSTEES HISTORIC PRESERVATION AGENCY

To be a member of the Historic Preservation Agency Board of Trustees for a term ending January 20, 2003:

Samuel A. Lilly of Downers Grove Non-Salaried

BOARD OF TRUSTEES ILLINOIS STATE UNIVERSITY

To be a member of the Illinois State University Board of Trustees for a term ending January 15, 2007:

Carl E. Kasten of Carlinville Non-Salaried

BOARD OF TRUSTEES NORTHEASTERN ILLINOIS UNIVERSITY

To be a member of the Northeastern Illinois University Board of Trustees for a term ending January 15, 2007:

Edward G. Dykla of Barrington Non-Salaried

BOARD OF TRUSTEES NORTHERN ILLINOIS UNIVERSITY

To be a member of the Northern Illinois University Board of Trustees for a term ending January 15, 2007:

Manuel Sanchez of Lisle Non-Salaried

BOARD OF TRUSTEES UNIVERSITY OF ILLINOIS

To be a member of the University of Illinois Board Board of Trustees for a term ending January 8, 2007:

Lawrence Eppley of Palatine Non-Salaried

BOARD OF TRUSTEES WESTERN ILLINOIS UNIVERSITY

To be members of the Western Illinois University Board of Trustees for terms ending January 15, 2007:

Carolyn J. Ehlert of Milan Non-Salaried

J. Michael Houston of Springfield Non-Salaried

CAPITAL DEVELOPMENT BOARD

To be a member of the Capital Development Board for a term ending January 17, 2005:

Dennis J. Gannon of Orland Park Non-Salaried

CHILDREN AND FAMILY SERVICES ADVISORY COUNCIL

To be members of the Children and Family Services Advisory Council for terms ending January 17, 2005:

Susan L. Cook of Carterville Non-Salaried

Harold O. Ziebell of Petersburg Non-Salaried

EAST ST. LOUIS FINANCIAL ADVISORY AUTHORITY

To be a member of the East St. Louis Financial Advisory Authority for a term ending August 30, 2002:

Anthony R. Grant of Oak Park

Non-Salaried

ILLINOIS BUILDING COMMISSION

To be a member of the Illinois Building commission for a term ending June 19, 2001:

Steven Frank Wydeveld of Manhattan Non-Salaried

ILLINOIS RACING BOARD

To be a member of the Illinois Racing Board for a term ending July 1, 2002:

William Jack Chamblin of Robinson Non-Salaried

ILLINOIS STATE BOARD OF INVESTMENT

To be a member of the State Board of Investment for a term ending January 17, 2005:

Joseph P. Cacciatore of Winnetka Non-Salaried

METROPOLITAN PIER AND EXPOSITION BOARD

To be members of the Metropolitan Pier and Exposition Board for terms ending June 1, 2005:

James B. Bolin of Western Springs Non-Salaried

James S. Montana, Jr. of Chicago Non-Salaried

PUBLIC ADMINISTRATOR

To be the Public Administrator of LaSalle County for a term ending December 3, 2001:

Michael T. James of Ottawa Non-Salaried

PUBLIC ADMINISTRATOR AND PUBLIC GUARDIAN

To be the Public Administrator and Public Guardian of Edgar County for a term ending December 2, 2002:

Pamela Julian of Metcalf Non-Salaried

STATE BANKING BOARD OF ILLINOIS

To be a member of the State Banking Board of Illinois for a term ending January 1, 2004:

Peter Fasseas of Chicago Non-Salaried

STATE BOARD OF EDUCATION

To be a member of the State Board of Education for a term ending January 15, 2007:

Beverly L. Turkal of Robinson Non-Salaried

GEORGE H. RYAN

Under the rules, the foregoing Message was referred to the Committee on Executive Appointments.

READING BILLS OF THE SENATE A SECOND TIME

On motion of Senator Peterson, Senate Bill No. 207 having been printed, was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Dillard, Senate Bill No. 222 having been printed, was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Dillard, Senate Bill No. 257 having been printed, was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Sieben, Senate Bill No. 329 having been printed, was taken up and read by title a second time.

The following amendment was offered in the Committee on Education, adopted and ordered printed:

AMENDMENT NO. 1

AMENDMENT NO. $\underline{1}$. Amend Senate Bill 329 on page 2, line 6, by deleting "the Regional Office of Education or"; and on page 2, immediately below line 8, by inserting the following:

"Regional offices of education have the authority to initiate and collaborate with institutions of higher learning to establish internship programs referenced in this subsection (c). The State Board of Education has 90 days from receiving a written proposal to establish the internship program to seek the State Teacher Certification Board's consultation on the internship program. If the State Board of Education does not consult the State Teacher Certification Board within 90 days, the regional office of education may seek the State Teacher Certification Board of Education sapproval."

There being no further amendments, the foregoing Amendment No. 1, was ordered engrossed; and the bill, as amended, was ordered to a third reading.

On motion of Senator Sieben, Senate Bill No. $330\,$ having been printed, was taken up and read by title a second time.

Floor Amendment No. 1 was held in the Committee on Education.

There being no further amendments, the bill was ordered to third a reading.

On motion of Senator Sieben, Senate Bill No. 376 having been printed, was taken up, read by title a second time and ordered to a

third reading.

On motion of Senator Parker, Senate Bill No. 510 having been printed, was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Lauzen, Senate Bill No. 539 having been printed, was taken up, read by title a second time and ordered to a third reading.

On motion of Senator W. Jones, Senate Bill No. $609\,$ having been printed, was taken up and read by title a second time.

The following amendment was offered in the Committee on Judiciary, adopted and ordered printed:

AMENDMENT NO. 1

AMENDMENT NO. $\underline{1}$. Amend Senate Bill 609 as follows: on page 1, line 9, by deleting "other adult uses,"; and on page 3, by replacing lines 8 through 18 with the following:

"Section 15. Restrictions on locations of adult uses. No adult use shall be located within 1000 feet of any public or private elementary or secondary school, any public park, any place of worship, any pre-school, any day care facility, any mobile home park used for residential purposes, or any area that is zoned as residential.

Section 20. Local Standards; Home Rule. The provisions of this Act constitute minimum restrictions on locations of adult uses for all governmental units, including home rule units. Any governmental unit may prescribe more stringent restrictions on the locations of adult uses.

A home rule unit may not regulate locations of adult uses in a manner inconsistent with this Act. This Act is a limitation under subsection (i) of Section 6 of Article VII of the Illinois Constitution on the concurrent exercise by home rule units of powers and functions exercised by the State.

Section 25. Applicability. This Act shall not apply to any adult use established and having a permanent business location prior to the effective date of this Act.

Section 30. Penalty. A violation of any provision of this Act is a separate petty offense for each day of violation.".

There being no further amendments, the foregoing Amendment No. 1, was ordered engrossed; and the bill, as amended, was ordered to a third reading.

On motion of Senator Cullerton, Senate Bill No. 638 having been printed, was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Klemm, Senate Bill No. 726 having been printed, was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Roskam, Senate Bill No. 730 having been printed, was taken up and read by title a second time.

The following amendment was offered in the Committee on Revenue, adopted and ordered printed:

AMENDMENT NO. 1

AMENDMENT NO. 1. Amend Senate Bill 730 by replacing everything

after the enacting clause with the following:

"Section 5. The Use Tax Act is amended by changing Section 3-55 as follows:

(35 ILCS 105/3-55) (from Ch. 120, par. 439.3-55)

Sec. 3-55. Multistate exemption. The tax imposed by this Act does not apply to the use of tangible personal property in this State under the following circumstances:

- (a) The use, in this State, of tangible personal property acquired outside this State by a nonresident individual and brought into this State by the individual for his or her own use while temporarily within this State or while passing through this State.
- (b) The use, in this State, of tangible personal property by an interstate carrier for hire as rolling stock moving in interstate commerce or by lessors under a lease of one year or longer executed or in effect at the time of purchase of tangible personal property by interstate carriers for-hire for use as rolling stock moving in interstate commerce as long as so used by the interstate carriers for-hire, and equipment operated by a telecommunications provider, licensed as a common carrier by the Federal Communications Commission, which is permanently installed in or affixed to aircraft moving in interstate commerce.
- (c) The use, in this State, by owners, lessors, or shippers of tangible personal property that is utilized by interstate carriers for hire for use as rolling stock moving in interstate commerce as long as so used by the interstate carriers for hire, and equipment operated by a telecommunications provider, licensed as a common carrier by the Federal Communications Commission, which is permanently installed in or affixed to aircraft moving in interstate commerce.
- (d) The use, in this State, of tangible personal property that is acquired outside this State and caused to be brought into this State by a person who has already paid a tax in another State in respect to the sale, purchase, or use of that property, to the extent of the amount of the tax properly due and paid in the other State.
- (e) The temporary storage, in this State, of tangible personal property that is acquired outside this State and that, after being brought into this State and stored here temporarily, is used solely outside this State or is physically attached to or incorporated into other tangible personal property that is used solely outside this State, or is altered by converting, fabricating, manufacturing, printing, processing, or shaping, and, as altered, is used solely outside this State.
- (f) The temporary storage in this State of building materials and fixtures that are acquired either in this State or outside this State by an Illinois registered combination retailer and construction contractor, and that the purchaser thereafter uses outside this State by incorporating that property into real estate located outside this State
- (g) The use or purchase of tangible personal property by a common carrier by rail or motor that receives the physical possession of the property in Illinois, and that transports the property, or shares with another common carrier in the transportation of the property, out of Illinois on a standard uniform bill of lading showing the seller of the property as the shipper or consignor of the property to a destination outside Illinois, for use outside Illinois.
- (h) The use, in this State, of a motor vehicle that was sold in this State to a nonresident, even though the motor vehicle is delivered to the nonresident in this State, if the motor vehicle is not to be titled in this State, and if a driveaway decal permit is issued to the motor vehicle as provided in Section 3-603 of the

Illinois Vehicle Code or if the nonresident purchaser has vehicle registration plates to transfer to the motor vehicle upon returning to his or her home state. The issuance of the driveaway decal permit or having the out-of-state registration plates to be transferred shall be prima facie evidence that the motor vehicle will not be titled in this State.

- (i) Beginning July 1, 1999, the use, in this State, of fuel acquired outside this State and brought into this State in the fuel supply tanks of locomotives engaged in freight hauling and passenger service for interstate commerce. This subsection is exempt from the provisions of Section 3-90.
- (j) Beginning on January 1, 2002, the use of tangible personal property purchased from an Illinois retailer by a taxpayer engaged in centralized purchasing activities in Illinois who will, upon receipt of the property in Illinois, temporarily store the property in Illinois (i) for the purpose of subsequently transporting it outside this State for use or consumption thereafter solely outside this State or (ii) for the purpose of being processed, fabricated, or manufactured into, attached to, or incorporated into other tangible personal property to be transported outside this State and thereafter used or consumed solely outside this State. The Director of Revenue shall, pursuant to rules adopted in accordance with the Illinois Administrative Procedure Act, issue a permit to any taxpayer in good standing with the Department who is eligible for the exemption under this subsection (j). The permit issued under this subsection (j) shall authorize the holder, to the extent and in the manner specified in the rules adopted under this Act, to purchase tangible personal property from a retailer exempt from the taxes imposed by this Act. Taxpayers shall maintain all necessary books and records to substantiate the use and consumption of all such tangible personal property outside of the State of Illinois.
 (Source: P.A. 90-519, eff. 6-1-98; 90-552, eff. 12-12-97; 91-51, eff.

(Source: P.A. 90-519, eff. 6-1-98; 90-552, eff. 12-12-97; 91-51, eff. 6-30-99; 91-313, eff. 7-29-99; 91-587, eff. 8-14-99; revised 9-29-99.)

Section 10. The Service Use $\, {\rm Tax} \,$ Act is amended by changing Section 3-45 as follows:

(35 ILCS 110/3-45) (from Ch. 120, par. 439.33-45)

Sec. 3-45. Multistate exemption. The tax imposed by this Act does not apply to the use of tangible personal property in this State under the following circumstances:

- (a) The use, in this State, of property acquired outside this State by a nonresident individual and brought into this State by the individual for his or her own use while temporarily within this State or while passing through this State.
- (b) The use, in this State, of property that is acquired outside this State and that is moved into this State for use as rolling stock moving in interstate commerce.
- (c) The use, in this State, of property that is acquired outside this State and caused to be brought into this State by a person who has already paid a tax in another state in respect to the sale, purchase, or use of that property, to the extent of the amount of the tax properly due and paid in the other state.
- (d) The temporary storage, in this State, of property that is acquired outside this State and that after being brought into this State and stored here temporarily, is used solely outside this State or is physically attached to or incorporated into other property that is used solely outside this State, or is altered by converting, fabricating, manufacturing, printing, processing, or shaping, and, as altered, is used solely outside this State.
 - (e) Beginning July 1, 1999, the use, in this State, of fuel

acquired outside this State and brought into this State in the fuel supply tanks of locomotives engaged in freight hauling and passenger service for interstate commerce. This subsection is exempt from the provisions of Section 3-75.

(f) Beginning on January 1, 2002, the use of tangible personal property purchased from an Illinois retailer by a taxpayer engaged in centralized purchasing activities in Illinois who will, upon receipt of the property in Illinois, temporarily store the property in Illinois (i) for the purpose of subsequently transporting it outside this State for use or consumption thereafter solely outside this State or (ii) for the purpose of being processed, fabricated, or manufactured into, attached to, or incorporated into other tangible personal property to be transported outside this State and thereafter used or consumed solely outside this State. The Director of Revenue shall, pursuant to rules adopted in accordance with the Illinois Administrative Procedure Act, issue a permit to any taxpayer in good standing with the Department who is eligible for the exemption under this subsection (f). The permit issued under this subsection (f) shall authorize the holder, to the extent and in the manner specified in the rules adopted under this Act, to purchase tangible personal property from a retailer exempt from the taxes imposed by this Act. Taxpayers shall maintain all necessary books and records to substantiate the use and consumption of all such tangible personal property outside of the State of Illinois.
(Source: P.A. 91-51, eff. 6-30-99; 91-313, eff. 7-29-99; 91-587, eff.

8-14-99; revised 9-29-99.)

Section 15. The Service Occupation Tax Act is amended by changing Section 3-5 as follows:

(35 ILCS 115/3-5) (from Ch. 120, par. 439.103-5)

Sec. 3-5. Exemptions. The following tangible personal property is exempt from the tax imposed by this Act:

- (1) Personal property sold by a corporation, association, foundation, institution, or organization, other than a limited liability company, that is organized and operated as a not-for-profit service enterprise for the benefit of persons 65 years of age or older if the personal property was not purchased by the enterprise for the purpose of resale by the enterprise.
- (2) Personal property purchased by a not-for-profit Illinois aty fair association for use in conducting, operating, or county promoting the county fair.
- (3) Personal property purchased by any not-for-profit arts or cultural organization that establishes, by proof required by the Department by rule, that it has received an exemption under Section 501(c)(3) of the Internal Revenue Code and that is organized and operated for the presentation or support of arts or cultural programming, activities, or services. These organizations include, but are not limited to, music and dramatic arts organizations such as symphony orchestras and theatrical groups, arts and cultural service organizations, local arts councils, visual arts organizations, and media arts organizations.
- (4) Legal tender, currency, medallions, or gold or silver coinage issued by the State of Illinois, the government of the United States of America, or the government of any foreign country, and bullion.
- (5) Graphic arts machinery and equipment, including repair and replacement parts, both new and used, and including that manufactured on special order or purchased for lease, certified by the purchaser to be used primarily for graphic arts production.
- (6) Personal property sold by a teacher-sponsored student organization affiliated with an elementary or secondary school

located in Illinois.

(7) Farm machinery and equipment, both new and used, including that manufactured on special order, certified by the purchaser to be used primarily for production agriculture or State or federal agricultural programs, including individual replacement parts for the machinery and equipment, including machinery and equipment purchased for lease, and including implements of husbandry defined in Section 1-130 of the Illinois Vehicle Code, farm machinery and agricultural chemical and fertilizer spreaders, and nurse wagons required to be registered under Section 3-809 of the Illinois Vehicle Code, but excluding other motor vehicles required to be registered under the Illinois Vehicle Code. Horticultural polyhouses or hoop houses used for propagating, growing, or overwintering plants shall be considered farm machinery and equipment under this item (7). Agricultural chemical tender tanks and dry boxes shall include units sold separately from a motor vehicle required to be licensed and units sold mounted on a motor vehicle required to be licensed if the selling price of the tender is separately stated.

Farm machinery and equipment shall include precision farming equipment that is installed or purchased to be installed on farm machinery and equipment including, but not limited to, tractors, harvesters, sprayers, planters, seeders, or spreaders. Precision farming equipment includes, but is not limited to, soil testing sensors, computers, monitors, software, global positioning and mapping systems, and other such equipment.

Farm machinery and equipment also includes computers, sensors, software, and related equipment used primarily in the computer-assisted operation of production agriculture facilities, equipment, and activities such as, but not limited to, the collection, monitoring, and correlation of animal and crop data for the purpose of formulating animal diets and agricultural chemicals. This item (7) is exempt from the provisions of Section 3-55.

- (8) Fuel and petroleum products sold to or used by an air common carrier, certified by the carrier to be used for consumption, shipment, or storage in the conduct of its business as an air common carrier, for a flight destined for or returning from a location or locations outside the United States without regard to previous or subsequent domestic stopovers.
- (9) Proceeds of mandatory service charges separately stated on customers' bills for the purchase and consumption of food and beverages, to the extent that the proceeds of the service charge are in fact turned over as tips or as a substitute for tips to the employees who participate directly in preparing, serving, hosting or cleaning up the food or beverage function with respect to which the service charge is imposed.
- (10) Oil field exploration, drilling, and production equipment, including (i) rigs and parts of rigs, rotary rigs, cable tool rigs, and workover rigs, (ii) pipe and tubular goods, including casing and drill strings, (iii) pumps and pump-jack units, (iv) storage tanks and flow lines, (v) any individual replacement part for oil field exploration, drilling, and production equipment, and (vi) machinery and equipment purchased for lease; but excluding motor vehicles required to be registered under the Illinois Vehicle Code.
- (11) Photoprocessing machinery and equipment, including repair and replacement parts, both new and used, including that manufactured on special order, certified by the purchaser to be used primarily for photoprocessing, and including photoprocessing machinery and equipment purchased for lease.
- (12) Coal exploration, mining, offhighway hauling, processing, maintenance, and reclamation equipment, including replacement parts

and equipment, and including equipment purchased for lease, but excluding motor vehicles required to be registered under the Illinois Vehicle Code.

- (13) Food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, soft drinks and food that has been prepared for immediate consumption) and prescription and non-prescription medicines, drugs, medical appliances, and insulin, urine testing materials, syringes, and needles used by diabetics, for human use, when purchased for use by a person receiving medical assistance under Article 5 of the Illinois Public Aid Code who resides in a licensed long-term care facility, as defined in the Nursing Home Care Act.
- (14) Semen used for artificial insemination of livestock for direct agricultural production.
- (15) Horses, or interests in horses, registered with and meeting the requirements of any of the Arabian Horse Club Registry of America, Appaloosa Horse Club, American Quarter Horse Association, United States Trotting Association, or Jockey Club, as appropriate, used for purposes of breeding or racing for prizes.
- (16) Computers and communications equipment utilized for any hospital purpose and equipment used in the diagnosis, analysis, or treatment of hospital patients sold to a lessor who leases the equipment, under a lease of one year or longer executed or in effect at the time of the purchase, to a hospital that has been issued an active tax exemption identification number by the Department under Section 1g of the Retailers' Occupation Tax Act.
- (17) Personal property sold to a lessor who leases the property, under a lease of one year or longer executed or in effect at the time of the purchase, to a governmental body that has been issued an active tax exemption identification number by the Department under Section 1g of the Retailers' Occupation Tax Act.
- (18) Beginning with taxable years ending on or after December 31, 1995 and ending with taxable years ending on or before December 31, 2004, personal property that is donated for disaster relief to be used in a State or federally declared disaster area in Illinois or bordering Illinois by a manufacturer or retailer that is registered in this State to a corporation, society, association, foundation, or institution that has been issued a sales tax exemption identification number by the Department that assists victims of the disaster who reside within the declared disaster area.
- (19) Beginning with taxable years ending on or after December 31, 1995 and ending with taxable years ending on or before December 31, 2004, personal property that is used in the performance of infrastructure repairs in this State, including but not limited to municipal roads and streets, access roads, bridges, sidewalks, waste disposal systems, water and sewer line extensions, water distribution and purification facilities, storm water drainage and retention facilities, and sewage treatment facilities, resulting from a State or federally declared disaster in Illinois or bordering Illinois when such repairs are initiated on facilities located in the declared disaster area within 6 months after the disaster.
- (20) Beginning July 1, 1999, game or game birds sold at a "game breeding and hunting preserve area" or an "exotic game hunting area" as those terms are used in the Wildlife Code or at a hunting enclosure approved through rules adopted by the Department of Natural Resources. This paragraph is exempt from the provisions of Section 3-55
- (21) (20) A motor vehicle, as that term is defined in Section 1-146 of the Illinois Vehicle Code, that is donated to a corporation, limited liability company, society, association, foundation, or

institution that is determined by the Department to be organized and operated exclusively for educational purposes. For purposes of this exemption, "a corporation, limited liability company, society, association, foundation, or institution organized and operated exclusively for educational purposes" means all tax-supported public schools, private schools that offer systematic instruction in useful branches of learning by methods common to public schools and that compare favorably in their scope and intensity with the course of study presented in tax-supported schools, and vocational or technical schools or institutes organized and operated exclusively to provide a course of study of not less than 6 weeks duration and designed to prepare individuals to follow a trade or to pursue a manual, technical, mechanical, industrial, business, or commercial occupation.

(22) (21) Beginning January 1, 2000, personal property, including food, purchased through fundraising events for the benefit of a public or private elementary or secondary school, a group of those schools, or one or more school districts if the events are sponsored by an entity recognized by the school district that consists primarily of volunteers and includes parents and teachers of the school children. This paragraph does not apply to fundraising events (i) for the benefit of private home instruction or (ii) for which the fundraising entity purchases the personal property sold at the events from another individual or entity that sold the property for the purpose of resale by the fundraising entity and that profits from the sale to the fundraising entity. This paragraph is exempt from the provisions of Section 3-55.

(23) (20) Beginning January 1, 2000, new or used automatic vending machines that prepare and serve hot food and beverages, including coffee, soup, and other items, and replacement parts for these machines. This paragraph is exempt from the provisions of Section 3-55.

(24) Beginning on January 1, 2002, tangible personal property purchased from an Illinois retailer by a taxpayer engaged in centralized purchasing activities in Illinois who will, upon receipt of the property in Illinois, temporarily store the property in Illinois (i) for the purpose of subsequently transporting it outside this State for use or consumption thereafter solely outside this State or (ii) for the purpose of being processed, fabricated, or manufactured into, attached to, or incorporated into other tangible personal property to be transported outside this State and thereafter used or consumed solely outside this State. The Director of Revenue shall, pursuant to rules adopted in accordance with the Illinois Administrative Procedure Act, issue a permit to any taxpayer in good standing with the Department who is eligible for the exemption under this paragraph (24). The permit issued under this paragraph (24) shall authorize the holder, to the extent and in the manner specified in the rules adopted under this Act, to purchase tangible personal property from a retailer exempt from the taxes imposed by this Act. Taxpayers shall maintain all necessary books and records to substantiate the use and consumption of all such tangible personal property outside of the State of Illinois.

(Source: P.A. 90-14, eff. 7-1-97; 90-552, eff. 12-12-97; 90-605, eff. 6-30-98; 91-51, eff. 6-30-99; 91-200, eff. 7-20-99; 91-439, eff. 8-6-99; 91-533, eff. 8-13-99; 91-637, eff. 8-20-99; 91-644, eff. 8-20-99; revised 9-29-99.)

Section 20. The Retailers' Occupation Tax Act is amended by changing Section 2-5 as follows:

(35 ILCS 120/2-5) (from Ch. 120, par. 441-5)

Sec. 2-5. Exemptions. Gross receipts from proceeds from the

sale of the following tangible personal property are exempt from the tax imposed by this Act:

- (1) Farm chemicals.
- (2) Farm machinery and equipment, both new and used, including that manufactured on special order, certified by the purchaser to be used primarily for production agriculture or State or federal agricultural programs, including individual replacement parts for the machinery and equipment, including machinery and equipment purchased for lease, and including implements of husbandry defined in Section 1-130 of the Illinois Vehicle Code, farm machinery and agricultural chemical and fertilizer spreaders, and nurse wagons required to be registered under Section 3-809 of the Illinois Vehicle Code, but excluding other motor vehicles required to be registered under Illinois Vehicle Code. Horticultural polyhouses or hoop houses used for propagating, growing, or overwintering plants shall be considered farm machinery and equipment under this item (2). Agricultural chemical tender tanks and dry boxes shall include units sold separately from a motor vehicle required to be licensed and units sold mounted on a motor vehicle required to be licensed, if the selling price of the tender is separately stated.

Farm machinery and equipment shall include precision farming equipment that is installed or purchased to be installed on farm machinery and equipment including, but not limited to, tractors, harvesters, sprayers, planters, seeders, or spreaders. Precision farming equipment includes, but is not limited to, soil testing sensors, computers, monitors, software, global positioning and mapping systems, and other such equipment.

Farm machinery and equipment also includes computers, sensors, software, and related equipment used primarily in the computer-assisted operation of production agriculture facilities, equipment, and activities such as, but not limited to, the collection, monitoring, and correlation of animal and crop data for the purpose of formulating animal diets and agricultural chemicals. This item (7) is exempt from the provisions of Section 2-70.

- (3) Distillation machinery and equipment, sold as a unit or kit, assembled or installed by the retailer, certified by the user to be used only for the production of ethyl alcohol that will be used for consumption as motor fuel or as a component of motor fuel for the personal use of the user, and not subject to sale or resale.
- (4) Graphic arts machinery and equipment, including repair and replacement parts, both new and used, and including that manufactured on special order or purchased for lease, certified by the purchaser to be used primarily for graphic arts production.
- (5) A motor vehicle of the first division, a motor vehicle of the second division that is a self-contained motor vehicle designed or permanently converted to provide living quarters for recreational, camping, or travel use, with direct walk through access to the living quarters from the driver's seat, or a motor vehicle of the second division that is of the van configuration designed for the transportation of not less than 7 nor more than 16 passengers, as defined in Section 1-146 of the Illinois Vehicle Code, that is used for automobile renting, as defined in the Automobile Renting Occupation and Use Tax Act.
- (6) Personal property sold by a teacher-sponsored student organization affiliated with an elementary or secondary school located in Illinois.
- (7) Proceeds of that portion of the selling price of a passenger car the sale of which is subject to the Replacement Vehicle Tax.
- (8) Personal property sold to an Illinois county fair association for use in conducting, operating, or promoting the county

fair.

- (9) Personal property sold to a not-for-profit arts or cultural organization that establishes, by proof required by the Department by rule, that it has received an exemption under Section 501(c)(3) of the Internal Revenue Code and that is organized and operated for the presentation or support of arts or cultural programming, activities, or services. These organizations include, but are not limited to, music and dramatic arts organizations such as symphony orchestras and theatrical groups, arts and cultural service organizations, local arts councils, visual arts organizations, and media arts organizations.
- (10) Personal property sold by a corporation, society, association, foundation, institution, or organization, other than a limited liability company, that is organized and operated as a not-for-profit service enterprise for the benefit of persons 65 years of age or older if the personal property was not purchased by the enterprise for the purpose of resale by the enterprise.
- (11) Personal property sold to a governmental body, to a corporation, society, association, foundation, or institution organized and operated exclusively for charitable, religious, or educational purposes, or to a not-for-profit corporation, society, association, foundation, institution, or organization that has no compensated officers or employees and that is organized and operated primarily for the recreation of persons 55 years of age or older. A limited liability company may qualify for the exemption under this paragraph only if the limited liability company is organized and operated exclusively for educational purposes. On and after July 1, 1987, however, no entity otherwise eligible for this exemption shall make tax-free purchases unless it has an active identification number issued by the Department.
- (12) Personal property sold to interstate carriers for hire for use as rolling stock moving in interstate commerce or to lessors under leases of one year or longer executed or in effect at the time of purchase by interstate carriers for hire for use as rolling stock moving in interstate commerce and equipment operated by a telecommunications provider, licensed as a common carrier by the Federal Communications Commission, which is permanently installed in or affixed to aircraft moving in interstate commerce.
- (13) Proceeds from sales to owners, lessors, or shippers of tangible personal property that is utilized by interstate carriers for hire for use as rolling stock moving in interstate commerce and equipment operated by a telecommunications provider, licensed as a common carrier by the Federal Communications Commission, which is permanently installed in or affixed to aircraft moving in interstate commerce.
- (14) Machinery and equipment that will be used by the purchaser, or a lessee of the purchaser, primarily in the process of manufacturing or assembling tangible personal property for wholesale or retail sale or lease, whether the sale or lease is made directly by the manufacturer or by some other person, whether the materials used in the process are owned by the manufacturer or some other person, or whether the sale or lease is made apart from or as an incident to the seller's engaging in the service occupation of producing machines, tools, dies, jigs, patterns, gauges, or other similar items of no commercial value on special order for a particular purchaser.
- (15) Proceeds of mandatory service charges separately stated on customers' bills for purchase and consumption of food and beverages, to the extent that the proceeds of the service charge are in fact turned over as tips or as a substitute for tips to the employees who

participate directly in preparing, serving, hosting or cleaning up the food or beverage function with respect to which the service charge is imposed.

- (16) Petroleum products sold to a purchaser if the seller is prohibited by federal law from charging tax to the purchaser.
- (17) Tangible personal property sold to a common carrier by rail or motor that receives the physical possession of the property in Illinois and that transports the property, or shares with another common carrier in the transportation of the property, out of Illinois on a standard uniform bill of lading showing the seller of the property as the shipper or consignor of the property to a destination outside Illinois, for use outside Illinois.
- (18) Legal tender, currency, medallions, or gold or silver coinage issued by the State of Illinois, the government of the United States of America, or the government of any foreign country, and bullion.
- (19) Oil field exploration, drilling, and production equipment, including (i) rigs and parts of rigs, rotary rigs, cable tool rigs, and workover rigs, (ii) pipe and tubular goods, including casing and drill strings, (iii) pumps and pump-jack units, (iv) storage tanks and flow lines, (v) any individual replacement part for oil field exploration, drilling, and production equipment, and (vi) machinery and equipment purchased for lease; but excluding motor vehicles required to be registered under the Illinois Vehicle Code.
- (20) Photoprocessing machinery and equipment, including repair and replacement parts, both new and used, including that manufactured on special order, certified by the purchaser to be used primarily for photoprocessing, and including photoprocessing machinery and equipment purchased for lease.
- (21) Coal exploration, mining, offhighway hauling, processing, maintenance, and reclamation equipment, including replacement parts and equipment, and including equipment purchased for lease, but excluding motor vehicles required to be registered under the Illinois Vehicle Code.
- (22) Fuel and petroleum products sold to or used by an air carrier, certified by the carrier to be used for consumption, shipment, or storage in the conduct of its business as an air common carrier, for a flight destined for or returning from a location or locations outside the United States without regard to previous or subsequent domestic stopovers.
- (23) A transaction in which the purchase order is received by a florist who is located outside Illinois, but who has a florist located in Illinois deliver the property to the purchaser or the purchaser's donee in Illinois.
- (24) Fuel consumed or used in the operation of ships, barges, or vessels that are used primarily in or for the transportation of property or the conveyance of persons for hire on rivers bordering on this State if the fuel is delivered by the seller to the purchaser's barge, ship, or vessel while it is afloat upon that bordering river.
- (25) A motor vehicle sold in this State to a nonresident even though the motor vehicle is delivered to the nonresident in this State, if the motor vehicle is not to be titled in this State, and if a driveaway decal permit is issued to the motor vehicle as provided in Section 3-603 of the Illinois Vehicle Code or if the nonresident purchaser has vehicle registration plates to transfer to the motor vehicle upon returning to his or her home state. The issuance of the driveaway decal permit or having the out-of-state registration plates to be transferred is prima facie evidence that the motor vehicle will not be titled in this State.
 - (26) Semen used for artificial insemination of livestock for

direct agricultural production.

- (27) Horses, or interests in horses, registered with and meeting the requirements of any of the Arabian Horse Club Registry of America, Appaloosa Horse Club, American Quarter Horse Association, United States Trotting Association, or Jockey Club, as appropriate, used for purposes of breeding or racing for prizes.
- (28) Computers and communications equipment utilized for any hospital purpose and equipment used in the diagnosis, analysis, or treatment of hospital patients sold to a lessor who leases the equipment, under a lease of one year or longer executed or in effect at the time of the purchase, to a hospital that has been issued an active tax exemption identification number by the Department under Section 1q of this Act.
- (29) Personal property sold to a lessor who leases the property, under a lease of one year or longer executed or in effect at the time of the purchase, to a governmental body that has been issued an active tax exemption identification number by the Department under Section 1g of this Act.
- (30) Beginning with taxable years ending on or after December 31, 1995 and ending with taxable years ending on or before December 31, 2004, personal property that is donated for disaster relief to be used in a State or federally declared disaster area in Illinois or bordering Illinois by a manufacturer or retailer that is registered in this State to a corporation, society, association, foundation, or institution that has been issued a sales tax exemption identification number by the Department that assists victims of the disaster who reside within the declared disaster area.
- (31) Beginning with taxable years ending on or after December 31, 1995 and ending with taxable years ending on or before December 31, 2004, personal property that is used in the performance of infrastructure repairs in this State, including but not limited to municipal roads and streets, access roads, bridges, sidewalks, waste disposal systems, water and sewer line extensions, water distribution and purification facilities, storm water drainage and retention facilities, and sewage treatment facilities, resulting from a State or federally declared disaster in Illinois or bordering Illinois when such repairs are initiated on facilities located in the declared disaster area within 6 months after the disaster.
- (32) Beginning July 1, 1999, game or game birds sold at a "game breeding and hunting preserve area" or an "exotic game hunting area" as those terms are used in the Wildlife Code or at a hunting enclosure approved through rules adopted by the Department of Natural Resources. This paragraph is exempt from the provisions of Section 2-70.
- (33) (32) A motor vehicle, as that term is defined in Section 1-146 of the Illinois Vehicle Code, that is donated to a corporation, limited liability company, society, association, foundation, or institution that is determined by the Department to be organized and operated exclusively for educational purposes. For purposes of this exemption, "a corporation, limited liability company, society, association, foundation, or institution organized and operated exclusively for educational purposes" means all tax-supported public schools, private schools that offer systematic instruction in useful branches of learning by methods common to public schools and that compare favorably in their scope and intensity with the course of study presented in tax-supported schools, and vocational or technical schools or institutes organized and operated exclusively to provide a course of study of not less than 6 weeks duration and designed to prepare individuals to follow a trade or to pursue a manual, technical, mechanical, industrial, business, or commercial

occupation.

(34) (33) Beginning January 1, 2000, personal property, including food, purchased through fundraising events for the benefit of a public or private elementary or secondary school, a group of those schools, or one or more school districts if the events are sponsored by an entity recognized by the school district that consists primarily of volunteers and includes parents and teachers of the school children. This paragraph does not apply to fundraising events (i) for the benefit of private home instruction or (ii) for which the fundraising entity purchases the personal property sold at the events from another individual or entity that sold the property for the purpose of resale by the fundraising entity and that profits from the sale to the fundraising entity. This paragraph is exempt from the provisions of Section 2-70.

(35) (32) Beginning January 1, 2000, new or used automatic vending machines that prepare and serve hot food and beverages, including coffee, soup, and other items, and replacement parts for these machines. This paragraph is exempt from the provisions of Section 2-70.

(36) Beginning on January 1, 2002, tangible personal property purchased from an Illinois retailer by a taxpayer engaged in centralized purchasing activities in Illinois who will, upon receipt the property in Illinois, temporarily store the property in Illinois (i) for the purpose of subsequently transporting it outside this State for use or consumption thereafter solely outside this State or (ii) for the purpose of being processed, fabricated, or manufactured into, attached to, or incorporated into other tangible personal property to be transported outside this State and thereafter used or consumed solely outside this State. The Director of Revenue shall, pursuant to rules adopted in accordance with the Illinois Administrative Procedure Act, issue a permit to any taxpayer in good standing with the Department who is eligible for the exemption under this paragraph (36). The permit issued under this paragraph (36) shall authorize the holder, to the extent and in the manner specified in the rules adopted under this Act, to purchase tangible personal property from a retailer exempt from the taxes imposed by this Act. Taxpayers shall maintain all necessary books and records to substantiate the use and consumption of all such tangible personal property outside of the State of Illinois.

(Source: P.A. 90-14, eff. 7-1-97; 90-519, eff. 6-1-98; 90-552, eff. 12-12-97; 90-605, eff. 6-30-98; 91-51, eff. 6-30-99; 91-200, eff. 7-20-99; 91-439, eff. 8-6-99; 91-533, eff. 8-13-99; 91-637, eff. 8-20-99; 91-644, eff. 8-20-99; revised 9-28-99.)

Section 99. Effective date. This Act takes effect upon becoming law.".

There being no further amendments, the foregoing Amendment No. 1, was ordered engrossed; and the bill, as amended, was ordered to a third reading.

On motion of Senator Bomke, Senate Bill No. 735 having been printed, was taken up and read by title a second time.

Floor Amendment No. 1 was held in the Committee on Rules.

There being no further amendments, the $\,$ bill $\,$ was $\,$ ordered $\,$ to $\,$ a third reading.

At the hour of 1:20 o'clock p.m., Senator Donahue presiding.

On motion of Senator Sullivan, Senate Bill No. 817 having been [Mar. 27, 2001]

printed, was taken up and read by title a second time.

The following amendment was offered in the Committee on Public Health and Welfare, adopted and ordered printed:

AMENDMENT NO. 1

AMENDMENT NO. $\underline{1}$. Amend Senate Bill 817 by replacing the title with the following:

"AN ACT in relation to public aid."; and

by replacing everything after the enacting clause with the following: "Section 5. The State Finance Act is amended by adding Section 5.545 as follows:

(30 ILCS 105/5.545 new)

Sec. 5.545. The Medicaid Buy-In Program Revolving Fund.
Section 10. The Illinois Public Aid Code is amended by adding Section 12-10.5 as follows:

(305 ILCS 5/12-10.5 new)

Sec. 12-10.5. Medicaid Buy-In Program Revolving Fund.

- (a) The Medicaid Buy-In Program Revolving Fund is created as a special fund in the State treasury. The Fund shall consist of cost-sharing payments made by individuals pursuant to the Medicaid Buy-In Program established under paragraph 11 of Section 5-2 of this Code. All earnings on moneys in the Fund shall be credited to the Fund.
- (b) Moneys in the Fund shall be appropriated to the Department to pay the costs of administering the Medicaid Buy-In Program, including payments for medical assistance benefits provided to Program participants. The Department shall adopt rules specifying the particular purposes for which the moneys in the Fund may be spent and the amounts that may be spent for those purposes.

Section 99. Effective date. This Act takes effect upon becoming law.".

There being no further amendments, the foregoing Amendment No. 1, was ordered engrossed; and the bill, as amended, was ordered to a third reading.

On motion of Senator Sieben, $Senate\ Bill\ No.\ 824\ having\ been$ printed, was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Klemm, Senate Bill No. 826 having been printed, was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Radogno, Senate Bill No. 827 having been printed, was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Rauschenberger, Senate Bill No. 833 having been printed, was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Luechtefeld, Senate Bill No. 839 having been printed, was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Karpiel, Senate Bill No. 843 having been printed, was taken up and read by title a second time.

The following amendment was offered in the Committee on Licensed Activities, adopted and ordered printed:

AMENDMENT NO. 1

AMENDMENT NO. $\underline{1}$. Amend Senate Bill 843 on page 4, immediately below line 6, by inserting the following:

"Section 99. Effective date. This Act takes effect upon becoming law.".

There being no further amendments, the foregoing Amendment No. 1, was ordered engrossed; and the bill, as amended, was ordered to a third reading.

On motion of Senator Radogno, Senate Bill No. 846 having been printed, was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Luechtefeld, Senate Bill No. 859 having been printed, was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Radogno, Senate Bill $\,No.\,\,$ 868 having been printed, was taken up and read by title a second time.

The following amendment was offered in the Committee on Commerce and Industry, adopted and ordered printed:

AMENDMENT NO. 1

AMENDMENT NO. $\underline{1}$. Amend Senate Bill 868 on page 7, line 15, by inserting "or refusal" after "failure"; and on page 7, line 32, by replacing "the employer" with the following:

"each such named corporate officer, director, partner, or member"; and

on page 7, by replacing lines 33 and 34 with the following:
"comply with this Section. The liability for the assessed penalty shall be against the named employer first, and if the named employer fails or refuses to pay the penalty to the Commission within 30 days after the final order of the Commission, then the named corporate officers, directors, partners, or members who have been found to have knowingly and willfully refused or failed to comply with this Section shall be liable for the unpaid penalty or any unpaid portion of the penalty. All".

There being no further amendments, the foregoing Amendment No. 1, was ordered engrossed; and the bill, as amended, was ordered to a third reading.

On motion of Senator Dillard, Senate Bill No. 875 having been printed, was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Noland, Senate Bill No. 876 having been printed, was taken up, read by title a second time and ordered to a third reading.

On motion of Senator T. Walsh, Senate Bill No. $881\,$ having been printed, was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Bomke, Senate Bill No. 900 having been printed, was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Watson, Senate Bill No. 902 having been [Mar. 27, 2001]

printed, was taken up and read by title a second time.

The following amendment was offered in the Committee on Executive, adopted and ordered printed:

AMENDMENT NO. 1

AMENDMENT NO. $\underline{1}$. Amend Senate Bill 902 by replacing everything after the enacting clause with the following:

"Section 5. The State Treasurer Act is amended by changing Section 16.5 as follows:

(15 ILCS 505/16.5)

Sec. 16.5. College Savings Pool. The State Treasurer may establish and administer a College Savings Pool to supplement and enhance the investment opportunities otherwise available to persons seeking to finance the costs of higher education. The State Treasurer, in administering the College Savings Pool, may receive moneys paid into the pool by a participant and may serve as the fiscal agent of that participant for the purpose of holding and investing those moneys.

"Participant", as used in this Section, means any person who that makes investments in the pool. "Designated beneficiary", as used in this Section, means any person on whose behalf an account is established in the College Savings Pool by a participant. Both in-state and out-of-state persons may be participants and designated beneficiaries in the College Savings Pool.

New accounts in the College Savings Pool shall be processed through participating financial institutions. "Participating financial institution", as used in this Section, means any financial institution insured by the Federal Deposit Insurance Corporation and lawfully doing business in the State of Illinois and any credit union approved by the State Treasurer and lawfully doing business in the State of Illinois that agrees to process new accounts in the College Savings Pool. Participating financial institutions may charge a processing fee to participants to open an account in the pool that shall not exceed \$30 until the year 2001. Beginning in 2001 and every year thereafter, the maximum fee limit shall be adjusted by the Treasurer based on the Consumer Price Index for the North Central Region as published by the United States Department of Labor, Bureau of Labor Statistics for the immediately preceding calendar year. Every contribution received by a financial institution for investment in the College Savings Pool shall be transferred from the financial institution to a location selected by the State Treasurer within one business day following the day that the funds must be made available in accordance with federal law. All communications from the State Treasurer to participants shall reference the participating financial institution at which the account was processed.

The Treasurer may invest the moneys in the College Savings Pool in the same manner, in the same types of investments, and subject to the same limitations provided for the investment of moneys by the Illinois State Board of Investment. To enhance the safety and liquidity of the College Savings Pool, to ensure the diversification of the investment portfolio of the pool, and in an effort to keep investment dollars in the State of Illinois, the State Treasurer shall make a percentage of each account available for investment in participating financial institutions doing business in the State. The State Treasurer shall deposit with the participating financial institution at which the account was processed the following percentage of each account at a prevailing rate offered by the institution, provided that the deposit is federally insured or fully collateralized and the institution accepts the deposit: 10% of the total amount of each account for which the current age of the

beneficiary is less than 7 years of age, 20% of the total amount of each account for which the beneficiary is at least 7 years of age and less than 12 years of age, and 50% of the total amount of each account for which the current age of the beneficiary is at least 12 years of age. The State Treasurer shall adjust each account at least annually to ensure compliance with this Section. The Treasurer shall develop, publish, and implement an investment policy covering the investment of the moneys in the College Savings Pool. The policy shall be published (i) at least once each year in at least one newspaper of general circulation in both Springfield and Chicago and (ii) each year as part of the audit of the College Savings Pool by the Auditor General, which shall be distributed to all participants. The Treasurer shall notify all participants in writing, and the Treasurer shall publish in a newspaper of general circulation in both Chicago and Springfield, any changes to the previously published investment policy at least 30 calendar days before implementing the policy. Any investment policy adopted by the Treasurer shall be reviewed and updated if necessary within 90 days following the date that the State Treasurer takes office.

Participants shall be required to use moneys distributed from the College Savings Pool for qualified expenses at eligible educational institutions. "Qualified expenses", as used in this Section, means the following: (i) tuition, fees, and the costs of books, supplies, and equipment required for enrollment or attendance at an eligible educational institution and (ii) certain room and board expenses incurred while attending an eligible educational institution at least half-time. "Eligible educational institutions", as used in this Section, means public and private colleges, junior colleges, graduate schools, and certain vocational institutions that are described in Section 481 of the Higher Education Act of 1965 (20 U.S.C. 1088) and that are eligible to participate in Department of Education student aid programs. A student shall be considered to be enrolled at least half-time if the student is enrolled for at least half the full-time academic work load for the course of study the student is pursuing as determined under the standards of the institution at which student is enrolled. Distributions made from the pool for qualified expenses shall be made directly to the eligible educational institution, directly to a vendor, or in the form of a check payable to both the beneficiary and the institution or vendor. Any moneys that are distributed in any other manner or that are used for expenses other than qualified expenses at an eligible educational institution shall be subject to a penalty of 10% of the earnings unless the beneficiary dies, becomes disabled, or receives a scholarship that equals or exceeds the distribution. Penalties shall be withheld at the time the distribution is made.

The Treasurer shall limit the contributions that may be made on behalf of a designated beneficiary based on an actuarial estimate of what is required to pay tuition, fees, and room and board for 5 undergraduate years at the highest cost eligible educational institution. The contributions made on behalf of a beneficiary who is also a beneficiary under the Illinois Prepaid Tuition Program shall be further restricted to ensure that the contributions in both programs combined do not exceed the limit established for the College Savings Pool. The Treasurer shall provide the Illinois Student Assistance Commission each year at a time designated by the Commission, an electronic report of all participant accounts in the Treasurer's College Savings Pool, listing total contributions and disbursements from each individual account during the previous calendar year. As soon thereafter as is possible following receipt of the Treasurer's report, the Illinois Student Assistance Commission

shall, in turn, provide the Treasurer with an electronic report listing those College Savings Pool participants who also participate in the State's prepaid tuition program, administered by the Commission. The Commission shall be responsible for filing any combined tax reports regarding State qualified savings programs required by the United States Internal Revenue Service. The Treasurer shall work with the Illinois Student Assistance Commission to coordinate the marketing of the College Savings Pool and the Illinois Prepaid Tuition Program when considered beneficial by the Treasurer and the Director of the Illinois Student Assistance Commission. The Treasurer's office shall not publicize or otherwise market the College Savings Pool or accept any moneys into the College Savings Pool prior to March 1, 2000. The Treasurer shall provide a separate accounting for each designated beneficiary to each participant, the Illinois Student Assistance Commission, and the participating financial institution at which the account was processed. No interest in the program may be pledged as security for a loan.

The assets of the College Savings Pool and its income and operation shall be exempt from all taxation by the State of Illinois and any of its subdivisions. The accrued earnings on investments in the Pool once disbursed on behalf of a designated beneficiary shall be similarly exempt from all taxation by the State of Illinois and its subdivisions, so long as they are used for qualified expenses. Contributions to a College Savings Pool account during the taxable year may be deducted from adjusted gross income as provided in Section 203 of the Illinois Income Tax Act. The provisions of this paragraph are exempt from Section 250 of the Illinois Income Tax Act.

The Treasurer shall adopt rules he or she considers necessary for the efficient administration of the College Savings Pool. The rules shall provide whatever additional parameters and restrictions are necessary to ensure that the College Savings Pool meets all of the requirements for a qualified state tuition program under Section 529 of the Internal Revenue Code (26 U.S.C. <u>529</u> 52). The rules shall provide for the administration expenses of the pool to be paid from its earnings and for the investment earnings in excess of the expenses and all moneys collected as penalties to be credited or paid monthly to the several participants in the pool in a manner which equitably reflects the differing amounts of their respective investments in the pool and the differing periods of time for which those amounts were in the custody of the pool. Also, the rules shall require the maintenance of records that enable the Treasurer's office to produce a report for each account in the pool at least annually that documents the account balance and investment earnings. Notice of any proposed amendments to the rules and regulations shall be provided to all participants prior to adoption. Amendments to rules and regulations shall apply only to contributions made after the adoption of the amendment.

Upon creating the College Savings Pool, the State Treasurer shall give bond with 2 or more sufficient sureties, payable to and for the benefit of the participants in the College Savings Pool, in the penal sum of \$1,000,000, conditioned upon the faithful discharge of his or her duties in relation to the College Savings Pool.

(Source: P.A. 91-607, eff. $1-1-\overline{00}$; $91-\overline{8}29$, eff. 1-1-01; revised 7-3-00)

Section 10. The Illinois Income Tax Act is amended by changing Section 203 as follows:

- (35 ILCS 5/203) (from Ch. 120, par. 2-203)
- Sec. 203. Base income defined.
- (a) Individuals.

- (1) In general. In the case of an individual, base income means an amount equal to the taxpayer's adjusted gross income for the taxable year as modified by paragraph (2).
- (2) Modifications. The adjusted gross income referred to in paragraph (1) shall be modified by adding thereto the sum of the following amounts:
 - (A) An amount equal to all amounts paid or accrued to the taxpayer as interest or dividends during the taxable year to the extent excluded from gross income in the computation of adjusted gross income, except stock dividends of qualified public utilities described in Section 305(e) of the Internal Revenue Code;
 - (B) An amount equal to the amount of tax imposed by this Act to the extent deducted from gross income in the computation of adjusted gross income for the taxable year;
 - (C) An amount equal to the amount received during the taxable year as a recovery or refund of real property taxes paid with respect to the taxpayer's principal residence under the Revenue Act of 1939 and for which a deduction was previously taken under subparagraph (L) of this paragraph (2) prior to July 1, 1991, the retrospective application date of Article 4 of Public Act 87-17. In the case of multi-unit or multi-use structures and farm dwellings, the taxes on the taxpayer's principal residence shall be that portion of the total taxes for the entire property which is attributable to such principal residence;
 - (D) An amount equal to the amount of the capital gain deduction allowable under the Internal Revenue Code, to the extent deducted from gross income in the computation of adjusted gross income;
 - (D-5) An amount, to the extent not included in adjusted gross income, equal to the amount of money withdrawn by the taxpayer in the taxable year from a medical care savings account and the interest earned on the account in the taxable year of a withdrawal pursuant to subsection (b) of Section 20 of the Medical Care Savings Account Act or subsection (b) of Section 20 of the Medical Care Savings Account Act of 2000; and
 - (D-10) For taxable years ending after December 31, 1997, an amount equal to any eligible remediation costs that the individual deducted in computing adjusted gross income and for which the individual claims a credit under subsection (1) of Section 201;
- and by deducting from the total so obtained the sum of the following amounts:
 - (E) Any amount included in such total in respect of any compensation (including but not limited to any compensation paid or accrued to a serviceman while a prisoner of war or missing in action) paid to a resident by reason of being on active duty in the Armed Forces of the United States and in respect of any compensation paid or accrued to a resident who as a governmental employee was a prisoner of war or missing in action, and in respect of any compensation paid to a resident in 1971 or thereafter for annual training performed pursuant to Sections 502 and 503, Title 32, United States Code as a member of the Illinois National Guard;
 - (F) An amount equal to all amounts included in such total pursuant to the provisions of Sections 402(a), 402(c), 403(a), 403(b), 406(a), 407(a), and 408 of the Internal

Revenue Code, or included in such total as distributions under the provisions of any retirement or disability plan for employees of any governmental agency or unit, or retirement payments to retired partners, which payments are excluded in computing net earnings from self employment by Section 1402 of the Internal Revenue Code and regulations adopted pursuant thereto;

- (G) The valuation limitation amount;
- (H) An amount equal to the amount of any tax imposed by this Act which was refunded to the taxpayer and included in such total for the taxable year;
- (I) An amount equal to all amounts included in such total pursuant to the provisions of Section 111 of the Internal Revenue Code as a recovery of items previously deducted from adjusted gross income in the computation of taxable income;
- (J) An amount equal to those dividends included in such total which were paid by a corporation which conducts business operations in an Enterprise Zone or zones created under the Illinois Enterprise Zone Act, and conducts substantially all of its operations in an Enterprise Zone or zones;
- (K) An amount equal to those dividends included in such total that were paid by a corporation that conducts business operations in a federally designated Foreign Trade Zone or Sub-Zone and that is designated a High Impact Business located in Illinois; provided that dividends eligible for the deduction provided in subparagraph (J) of paragraph (2) of this subsection shall not be eligible for the deduction provided under this subparagraph (K);
- (L) For taxable years ending after December 31, 1983, an amount equal to all social security benefits and railroad retirement benefits included in such total pursuant to Sections 72(r) and 86 of the Internal Revenue Code;
- (M) With the exception of any amounts subtracted under subparagraph (N), an amount equal to the sum of all amounts disallowed as deductions by (i) Sections 171(a) (2), and 265(2) of the Internal Revenue Code of 1954, as now or hereafter amended, and all amounts of expenses allocable to interest and disallowed as deductions by Section 265(1) of the Internal Revenue Code of 1954, as now or hereafter amended; and (ii) for taxable years ending on or after August 13, 1999, Sections 171(a)(2), 265, 280C, and 832(b)(5)(B)(i) of the Internal Revenue Code; the provisions of this subparagraph are exempt from the provisions of Section 250;
- (N) An amount equal to all amounts included in such total which are exempt from taxation by this State either by reason of its statutes or Constitution or by reason of the Constitution, treaties or statutes of the United States; provided that, in the case of any statute of this State that exempts income derived from bonds or other obligations from the tax imposed under this Act, the amount exempted shall be the interest net of bond premium amortization;
- (0) An amount equal to any contribution made to a job training project established pursuant to the Tax Increment Allocation Redevelopment Act;
- (P) An amount equal to the amount of the deduction used to compute the federal income tax credit for restoration of substantial amounts held under claim of right

for the taxable year pursuant to Section 1341 of the Internal Revenue Code of 1986;

- (Q) An amount equal to any amounts included in such total, received by the taxpayer as an acceleration in the payment of life, endowment or annuity benefits in advance of the time they would otherwise be payable as an indemnity for a terminal illness;
- (R) An amount equal to the amount of any federal or State bonus paid to veterans of the Persian Gulf War ;
- (S) An amount, to the extent included in adjusted gross income, equal to the amount of a contribution made in the taxable year on behalf of the taxpayer to a medical care savings account established under the Medical Care Savings Account Act or the Medical Care Savings Account Act of 2000 to the extent the contribution is accepted by the account administrator as provided in that Act;
- (T) An amount, to the extent included in adjusted gross income, equal to the amount of interest earned in the taxable year on a medical care savings account established under the Medical Care Savings Account Act or the Medical Care Savings Account Act or the taxpayer, other than interest added pursuant to item (D-5) of this paragraph (2);
- (U) For one taxable year beginning on or after January 1, 1994, an amount equal to the total amount of tax imposed and paid under subsections (a) and (b) of Section 201 of this Act on grant amounts received by the taxpayer under the Nursing Home Grant Assistance Act during the taxpayer's taxable years 1992 and 1993;
- (V) Beginning with tax years ending on or after December 31, 1995 and ending with tax years ending on or before December 31, 2004, an amount equal to the amount paid by a taxpayer who is a self-employed taxpayer, a partner of a partnership, or a shareholder in a Subchapter S corporation for health insurance or long-term care insurance for that taxpayer or that taxpayer's spouse or dependents, to the extent that the amount paid for that health insurance or long-term care insurance may be deducted under Section 213 of the Internal Revenue Code of 1986, has not been deducted on the federal income tax return of the taxpayer, and does not exceed the taxable income attributable to that taxpayer's income, self-employment income, or Subchapter S corporation income; except that no deduction shall be allowed under this item (V) if the taxpayer is eligible to participate in any health insurance or long-term care insurance plan of an employer of the taxpayer or the taxpayer's spouse. The amount of the health insurance and long-term care insurance subtracted under this item (V) shall be determined by multiplying total health insurance and long-term care insurance premiums paid by the taxpayer times a number that represents the fractional percentage of eligible medical expenses under Section 213 of the Internal Revenue Code of 1986 not actually deducted on the taxpayer's federal income tax return;
- (W) For taxable years beginning on or after January 1, 1998, all amounts included in the taxpayer's federal gross income in the taxable year from amounts converted from a regular IRA to a Roth IRA. This paragraph is exempt from the provisions of Section 250; and
 - (X) For taxable year 1999 and thereafter, an amount

equal to the amount of any (i) distributions, to the extent includible in gross income for federal income tax purposes, made to the taxpayer because of his or her status as a victim of persecution for racial or religious reasons by Nazi Germany or any other Axis regime or as an heir of the victim and (ii) items of income, to the extent includible in gross income for federal income tax purposes, attributable to, derived from or in any way related to assets stolen from, hidden from, or otherwise lost to a victim of persecution for racial or religious reasons by Nazi Germany or any other Axis regime immediately prior to, during, and immediately after World War II, including, but not limited to, interest on the proceeds receivable as insurance under policies issued to a victim of persecution for racial or religious reasons by Nazi Germany or any other Axis regime European insurance companies immediately prior to and during World War II; provided, however, this subtraction from federal adjusted gross income does not apply to assets acquired with such assets or with the proceeds from the sale of such assets; provided, further, this paragraph shall only apply to a taxpayer who was the first recipient of such assets after their recovery and who is a victim of persecution for racial or religious reasons by Nazi Germany or any other Axis regime or as an heir of the victim. The amount of and the eligibility for any public assistance, benefit, or similar entitlement is not affected by the inclusion of items (i) and (ii) of this paragraph in gross income for federal income tax purposes. This paragraph is exempt from the provisions of Section 250;

(Y) For taxable years beginning on or after January 1, 2002, moneys contributed in the taxable year to a College Savings Pool account under Section 16.5 of the State Treasurer Act. This subparagraph (Y) is exempt from the provisions of Section 250; and

(Z) For taxable years ending on or after December 31, 2001, an amount equal to the amount spent by the taxpayer during the taxable year for the purchase of an Illinois prepaid tuition contract, as defined in the Illinois Prepaid Tuition Act. This subparagraph (Z) is exempt from the provisions of Section 250 of this Act.

(b) Corporations.

- (1) In general. In the case of a corporation, base income means an amount equal to the taxpayer's taxable income for the taxable year as modified by paragraph (2).
- (2) Modifications. The taxable income referred to in paragraph (1) shall be modified by adding thereto the sum of the following amounts:
 - (A) An amount equal to all amounts paid or accrued to the taxpayer as interest and all distributions received from regulated investment companies during the taxable year to the extent excluded from gross income in the computation of taxable income;
 - (B) An amount equal to the amount of tax imposed by this Act to the extent deducted from gross income in the computation of taxable income for the taxable year;
 - (C) In the case of a regulated investment company, an amount equal to the excess of (i) the net long-term capital gain for the taxable year, over (ii) the amount of the capital gain dividends designated as such in accordance with Section 852(b)(3)(C) of the Internal Revenue Code and any

amount designated under Section 852(b)(3)(D) of the Internal Revenue Code, attributable to the taxable year (this amendatory Act of 1995 (Public Act 89-89) is declarative of existing law and is not a new enactment);

- (D) The amount of any net operating loss deduction taken in arriving at taxable income, other than a net operating loss carried forward from a taxable year ending prior to December 31, 1986;
- (E) For taxable years in which a net operating loss carryback or carryforward from a taxable year ending prior to December 31, 1986 is an element of taxable income under paragraph (1) of subsection (e) or subparagraph (E) of paragraph (2) of subsection (e), the amount by which addition modifications other than those provided by this subparagraph (E) exceeded subtraction modifications in such earlier taxable year, with the following limitations applied in the order that they are listed:
 - (i) the addition modification relating to the net operating loss carried back or forward to the taxable year from any taxable year ending prior to December 31, 1986 shall be reduced by the amount of addition modification under this subparagraph (E) which related to that net operating loss and which was taken into account in calculating the base income of an earlier taxable year, and
 - (ii) the addition modification relating to the net operating loss carried back or forward to the taxable year from any taxable year ending prior to December 31, 1986 shall not exceed the amount of such carryback or carryforward;

For taxable years in which there is a net operating loss carryback or carryforward from more than one other taxable year ending prior to December 31, 1986, the addition modification provided in this subparagraph (E) shall be the sum of the amounts computed independently under the preceding provisions of this subparagraph (E) for each such taxable year; and

(E-5) For taxable years ending after December 31, 1997, an amount equal to any eligible remediation costs that the corporation deducted in computing adjusted gross income and for which the corporation claims a credit under subsection (1) of Section 201;

and by deducting from the total so obtained the sum of the following amounts:

- (F) An amount equal to the amount of any tax imposed by this Act which was refunded to the taxpayer and included in such total for the taxable year;
- (G) An amount equal to any amount included in such total under Section 78 of the Internal Revenue Code;
- (H) In the case of a regulated investment company, an amount equal to the amount of exempt interest dividends as defined in subsection (b) (5) of Section 852 of the Internal Revenue Code, paid to shareholders for the taxable year;
- (I) With the exception of any amounts subtracted under subparagraph (J), an amount equal to the sum of all amounts disallowed as deductions by (i) Sections 171(a) (2), and 265(a)(2) and amounts disallowed as interest expense by Section 291(a)(3) of the Internal Revenue Code, as now or hereafter amended, and all amounts of expenses allocable to interest and disallowed as deductions by Section 265(a)(1)

of the Internal Revenue Code, as now or hereafter amended; and (ii) for taxable years ending on or after August 13, 1999, Sections 171(a)(2), 265, 280C, 291(a)(3), and 832(b)(5)(B)(i) of the Internal Revenue Code; the provisions of this subparagraph are exempt from the provisions of Section 250;

- (J) An amount equal to all amounts included in such total which are exempt from taxation by this State either by reason of its statutes or Constitution or by reason of the Constitution, treaties or statutes of the United States; provided that, in the case of any statute of this State that exempts income derived from bonds or other obligations from the tax imposed under this Act, the amount exempted shall be the interest net of bond premium amortization;
- (K) An amount equal to those dividends included in such total which were paid by a corporation which conducts business operations in an Enterprise Zone or zones created under the Illinois Enterprise Zone Act and conducts substantially all of its operations in an Enterprise Zone or zones;
- (L) An amount equal to those dividends included in such total that were paid by a corporation that conducts business operations in a federally designated Foreign Trade Zone or Sub-Zone and that is designated a High Impact Business located in Illinois; provided that dividends eligible for the deduction provided in subparagraph (K) of paragraph 2 of this subsection shall not be eligible for the deduction provided under this subparagraph (L);
- (M) For any taxpayer that is a financial organization within the meaning of Section 304(c) of this Act, an amount included in such total as interest income from a loan or loans made by such taxpayer to a borrower, to the extent that such a loan is secured by property which is eligible for the Enterprise Zone Investment Credit. To determine the portion of a loan or loans that is secured by property eligible for a Section 201(f) 201(h) investment credit to the borrower, the entire principal amount of the loan or loans between the taxpayer and the borrower should be divided into the basis of the Section 201(f) 201(h)investment credit property which secures the loan or loans, using for this purpose the original basis of such property on the date that it was placed in service in the Enterprise Zone. The subtraction modification available to taxpayer in any year under this subsection shall be that portion of the total interest paid by the borrower with respect to such loan attributable to the eligible property as calculated under the previous sentence;
- (M-1) For any taxpayer that is a financial organization within the meaning of Section 304(c) of this Act, an amount included in such total as interest income from a loan or loans made by such taxpayer to a borrower, to the extent that such a loan is secured by property which is eligible for the High Impact Business Investment Credit. To determine the portion of a loan or loans that is secured by property eligible for a Section 201(h) 201(i) investment credit to the borrower, the entire principal amount of the loan or loans between the taxpayer and the borrower should be divided into the basis of the Section 201(h) 201(i) investment credit property which secures the loan or loans, using for this purpose the original basis of such property

on the date that it was placed in service in a federally designated Foreign Trade Zone or Sub-Zone located in Illinois. No taxpayer that is eligible for the deduction provided in subparagraph (M) of paragraph (2) of this subsection shall be eligible for the deduction provided under this subparagraph (M-1). The subtraction modification available to taxpayers in any year under this subsection shall be that portion of the total interest paid by the borrower with respect to such loan attributable to the eligible property as calculated under the previous sentence;

- (N) Two times any contribution made during the taxable year to a designated zone organization to the extent that the contribution (i) qualifies as a charitable contribution under subsection (c) of Section 170 of the Internal Revenue Code and (ii) must, by its terms, be used for a project approved by the Department of Commerce and Community Affairs under Section 11 of the Illinois Enterprise Zone Act;
- (0) An amount equal to: (i) 85% for taxable years ending on or before December 31, 1992, or, a percentage equal to the percentage allowable under Section 243(a)(1) of the Internal Revenue Code of 1986 for taxable years ending after December 31, 1992, of the amount by which dividends included in taxable income and received from a corporation that is not created or organized under the laws of the United States or any state or political subdivision thereof, including, for taxable years ending on or after December 31, 1988, dividends received or deemed received or paid or deemed paid under Sections 951 through 964 of the Internal Revenue Code, exceed the amount of the modification provided under subparagraph (G) of paragraph (2) of this subsection (b) which is related to such dividends; plus (ii) 100% of the amount by which dividends, included in taxable income and received, including, for taxable years ending on or after December 31, 1988, dividends received or deemed received or paid or deemed paid under Sections 951 through 964 of the Internal Revenue Code, from any such corporation specified in clause (i) that would but for the provisions of Section 1504 (b) (3) of the Internal Revenue Code be treated as a member of the affiliated group which includes the dividend recipient, exceed the amount of the modification provided under subparagraph (G) of paragraph (2) of this subsection (b) which is related to such dividends;
- (P) An amount equal to any contribution made to a job training project established pursuant to the Tax Increment Allocation Redevelopment Act;
- (Q) An amount equal to the amount of the deduction used to compute the federal income tax credit for restoration of substantial amounts held under claim of right for the taxable year pursuant to Section 1341 of the Internal Revenue Code of 1986;
- (R) In the case of an attorney-in-fact with respect to whom an interinsurer or a reciprocal insurer has made the election under Section 835 of the Internal Revenue Code, 26 U.S.C. 835, an amount equal to the excess, if any, of the amounts paid or incurred by that interinsurer or reciprocal insurer in the taxable year to the attorney-in-fact over the deduction allowed to that interinsurer or reciprocal insurer with respect to the attorney-in-fact under Section 835(b) of the Internal Revenue Code for the taxable year; and
 - (S) For taxable years ending on or after December 31,

1997, in the case of a Subchapter S corporation, an amount equal to all amounts of income allocable to a shareholder subject to the Personal Property Tax Replacement Income Tax imposed by subsections (c) and (d) of Section 201 of this Act, including amounts allocable to organizations exempt from federal income tax by reason of Section 501(a) of the Internal Revenue Code. This subparagraph (S) is exempt from the provisions of Section 250.

(3) Special rule. For purposes of paragraph (2) (A), "gross income" in the case of a life insurance company, for tax years ending on and after December 31, 1994, shall mean the gross investment income for the taxable year.

(c) Trusts and estates.

(1) In general. In the case of a trust or estate, base income means an amount equal to the taxpayer's taxable income for the taxable year as modified by paragraph (2).

(2) Modifications. Subject to the provisions of paragraph (3), the taxable income referred to in paragraph (1) shall be modified by adding thereto the sum of the following amounts:

- (A) An amount equal to all amounts paid or accrued to the taxpayer as interest or dividends during the taxable year to the extent excluded from gross income in the computation of taxable income;
- (B) In the case of (i) an estate, \$600; (ii) a trust which, under its governing instrument, is required to distribute all of its income currently, \$300; and (iii) any other trust, \$100, but in each such case, only to the extent such amount was deducted in the computation of taxable income;
- (C) An amount equal to the amount of tax imposed by this Act to the extent deducted from gross income in the computation of taxable income for the taxable year;
- (D) The amount of any net operating loss deduction taken in arriving at taxable income, other than a net operating loss carried forward from a taxable year ending prior to December 31, 1986;
- (E) For taxable years in which a net operating loss carryback or carryforward from a taxable year ending prior to December 31, 1986 is an element of taxable income under paragraph (1) of subsection (e) or subparagraph (E) of paragraph (2) of subsection (e), the amount by which addition modifications other than those provided by this subparagraph (E) exceeded subtraction modifications in such taxable year, with the following limitations applied in the order that they are listed:
 - (i) the addition modification relating to the net operating loss carried back or forward to the taxable year from any taxable year ending prior to December 31, 1986 shall be reduced by the amount of addition modification under this subparagraph (E) which related to that net operating loss and which was taken into account in calculating the base income of an earlier taxable year, and
 - (ii) the addition modification relating to the net operating loss carried back or forward to the taxable year from any taxable year ending prior to December 31, 1986 shall not exceed the amount of such carryback or carryforward;

For taxable years in which there is a net operating loss carryback or carryforward from more than one other

taxable year ending prior to December 31, 1986, the addition modification provided in this subparagraph (E) shall be the sum of the amounts computed independently under the preceding provisions of this subparagraph (E) for each such taxable year;

- (F) For taxable years ending on or after January 1, 1989, an amount equal to the tax deducted pursuant to Section 164 of the Internal Revenue Code if the trust or estate is claiming the same tax for purposes of the Illinois foreign tax credit under Section 601 of this Act;
- (G) An amount equal to the amount of the capital gain deduction allowable under the Internal Revenue Code, to the extent deducted from gross income in the computation of taxable income; and
- (G-5) For taxable years ending after December 31, 1997, an amount equal to any eligible remediation costs that the trust or estate deducted in computing adjusted gross income and for which the trust or estate claims a credit under subsection (1) of Section 201;

and by deducting from the total so obtained the sum of the following amounts:

- (H) An amount equal to all amounts included in such total pursuant to the provisions of Sections 402(a), 402(c), 403(a), 403(b), 406(a), 407(a) and 408 of the Internal Revenue Code or included in such total as distributions under the provisions of any retirement or disability plan for employees of any governmental agency or unit, or retirement payments to retired partners, which payments are excluded in computing net earnings from self employment by Section 1402 of the Internal Revenue Code and regulations adopted pursuant thereto;
 - (I) The valuation limitation amount;
- (J) An amount equal to the amount of any tax imposed by this Act which was refunded to the taxpayer and included in such total for the taxable year;
- (K) An amount equal to all amounts included in taxable income as modified by subparagraphs (A), (B), (C), (D), (E), (F) and (G) which are exempt from taxation by this State either by reason of its statutes or Constitution or by reason of the Constitution, treaties or statutes of the United States; provided that, in the case of any statute of this State that exempts income derived from bonds or other obligations from the tax imposed under this Act, the amount exempted shall be the interest net of bond premium amortization;
- (L) With the exception of any amounts subtracted under subparagraph (K), an amount equal to the sum of all amounts disallowed as deductions by (i) Sections 171(a) (2) and 265(a)(2) of the Internal Revenue Code, as now or hereafter amended, and all amounts of expenses allocable to interest and disallowed as deductions by Section 265(1) of the Internal Revenue Code of 1954, as now or hereafter amended; and (ii) for taxable years ending on or after August 13, 1999, Sections 171(a)(2), 265, 280C, and 832(b)(5)(B)(i) of the Internal Revenue Code; the provisions of this subparagraph are exempt from the provisions of Section 250;
- (M) An amount equal to those dividends included in such total which were paid by a corporation which conducts business operations in an Enterprise Zone or zones created under the Illinois Enterprise Zone Act and conducts

substantially all of its operations in an Enterprise Zone or Zones_{i}

- (N) An amount equal to any contribution made to a job training project established pursuant to the Tax Increment Allocation Redevelopment ${\tt Act}$;
- (0) An amount equal to those dividends included in such total that were paid by a corporation that conducts business operations in a federally designated Foreign Trade Zone or Sub-Zone and that is designated a High Impact Business located in Illinois; provided that dividends eligible for the deduction provided in subparagraph (M) of paragraph (2) of this subsection shall not be eligible for the deduction provided under this subparagraph (O);
- (P) An amount equal to the amount of the deduction used to compute the federal income tax credit for restoration of substantial amounts held under claim of right for the taxable year pursuant to Section 1341 of the Internal Revenue Code of 1986; and
- (Q) For taxable year 1999 and thereafter, an amount equal to the amount of any (i) distributions, to the extent includible in gross income for federal income tax purposes, made to the taxpayer because of his or her status as a victim of persecution for racial or religious reasons by Nazi Germany or any other Axis regime or as an heir of the victim and (ii) items of income, to the extent includible in gross income for federal income tax purposes, attributable to, derived from or in any way related to assets stolen from, hidden from, or otherwise lost to a victim of persecution for racial or religious reasons by Nazi Germany or any other Axis regime immediately prior to, during, and immediately after World War II, including, but not limited to, interest on the proceeds receivable as insurance under policies issued to a victim of persecution for racial or religious reasons by Nazi Germany or any other Axis regime European insurance companies immediately prior to and during World War II; provided, however, this subtraction from federal adjusted gross income does not apply to assets acquired with such assets or with the proceeds from the sale of such assets; provided, further, this paragraph shall only apply to a taxpayer who was the first recipient of such assets after their recovery and who is a victim of persecution for racial or religious reasons by Nazi Germany or any other Axis regime or as an heir of the victim. The amount of and the eligibility for any public assistance, benefit, or similar entitlement is not affected by the inclusion of items (i) and (ii) of this paragraph in gross income for federal income tax purposes. This paragraph is exempt from the provisions of Section 250.
- (3) Limitation. The amount of any modification otherwise required under this subsection shall, under regulations prescribed by the Department, be adjusted by any amounts included therein which were properly paid, credited, or required to be distributed, or permanently set aside for charitable purposes pursuant to Internal Revenue Code Section 642(c) during the taxable year.
- (d) Partnerships.
- (1) In general. In the case of a partnership, base income means an amount equal to the taxpayer's taxable income for the taxable year as modified by paragraph (2).
 - (2) Modifications. The taxable income referred to in

paragraph (1) shall be modified by adding thereto the sum of the following amounts:

- (A) An amount equal to all amounts paid or accrued to the taxpayer as interest or dividends during the taxable year to the extent excluded from gross income in the computation of taxable income;
- (C) The amount of deductions allowed to the partnership pursuant to Section 707 (c) of the Internal Revenue Code in calculating its taxable income; and
- (D) An amount equal to the amount of the capital gain deduction allowable under the Internal Revenue Code, to the extent deducted from gross income in the computation of taxable income;

and by deducting from the total so obtained the following amounts:

- (E) The valuation limitation amount;
- (F) An amount equal to the amount of any tax imposed by this Act which was refunded to the taxpayer and included in such total for the taxable year;

 (G) An amount equal to all amounts included in taxable
- (G) An amount equal to all amounts included in taxable income as modified by subparagraphs (A), (B), (C) and (D) which are exempt from taxation by this State either by reason of its statutes or Constitution or by reason of the Constitution, treaties or statutes of the United States; provided that, in the case of any statute of this State that exempts income derived from bonds or other obligations from the tax imposed under this Act, the amount exempted shall be the interest net of bond premium amortization;
- (H) Any income of the partnership which constitutes personal service income as defined in Section 1348 (b) (1) of the Internal Revenue Code (as in effect December 31, 1981) or a reasonable allowance for compensation paid or accrued for services rendered by partners to the partnership, whichever is greater;
- (I) An amount equal to all amounts of income distributable to an entity subject to the Personal Property Tax Replacement Income Tax imposed by subsections (c) and (d) of Section 201 of this Act including amounts distributable to organizations exempt from federal income tax by reason of Section 501(a) of the Internal Revenue Code;
- (J) With the exception of any amounts subtracted under subparagraph (G), an amount equal to the sum of all amounts disallowed as deductions by (i) Sections 171(a) (2), and 265(2) of the Internal Revenue Code of 1954, as now or hereafter amended, and all amounts of expenses allocable to interest and disallowed as deductions by Section 265(1) of the Internal Revenue Code, as now or hereafter amended; and (ii) for taxable years ending on or after August 13, 1999, Sections 171(a)(2), 265, 280C, and 832(b)(5)(B)(i) of the Internal Revenue Code; the provisions of this subparagraph are exempt from the provisions of Section 250;
- (K) An amount equal to those dividends included in such total which were paid by a corporation which conducts business operations in an Enterprise Zone or zones created under the Illinois Enterprise Zone Act, enacted by the 82nd General Assembly, and which does not conduct such operations

other than in an Enterprise Zone or Zones;

- (L) An amount equal to any contribution made to a job training project established pursuant to the Real Property Tax Increment Allocation Redevelopment Act;
- (M) An amount equal to those dividends included in such total that were paid by a corporation that conducts business operations in a federally designated Foreign Trade Zone or Sub-Zone and that is designated a High Impact Business located in Illinois; provided that dividends eligible for the deduction provided in subparagraph (K) of paragraph (2) of this subsection shall not be eligible for the deduction provided under this subparagraph (M); and
- (N) An amount equal to the amount of the deduction used to compute the federal income tax credit for restoration of substantial amounts held under claim of right for the taxable year pursuant to Section 1341 of the Internal Revenue Code of 1986.
- (e) Gross income; adjusted gross income; taxable income.
- (1) In general. Subject to the provisions of paragraph (2) and subsection (b) (3), for purposes of this Section and Section 803(e), a taxpayer's gross income, adjusted gross income, or taxable income for the taxable year shall mean the amount of gross income, adjusted gross income or taxable income properly reportable for federal income tax purposes for the taxable year under the provisions of the Internal Revenue Code. Taxable income may be less than zero. However, for taxable years ending on or after December 31, 1986, net operating loss carryforwards from taxable years ending prior to December 31, 1986, may not exceed the sum of federal taxable income for the taxable year before net operating loss deduction, plus the excess of addition modifications over subtraction modifications for the taxable For taxable years ending prior to December 31, 1986, taxable income may never be an amount in excess of the net operating loss for the taxable year as defined in subsections (c) and (d) of Section 172 of the Internal Revenue Code, provided that when taxable income of a corporation (other than a Subchapter S corporation), trust, or estate is less than zero and addition modifications, other than those provided by subparagraph (E) of paragraph (2) of subsection (b) for corporations or subparagraph (E) of paragraph (2) of subsection (c) for trusts estates, exceed subtraction modifications, an addition modification must be made under those subparagraphs for any other taxable year to which the taxable income less than zero (net operating loss) is applied under Section 172 of the Internal Revenue Code or under subparagraph (E) of paragraph (2) of this subsection (e) applied in conjunction with Section 172 of the Internal Revenue Code.
- (2) Special rule. For purposes of paragraph (1) of this subsection, the taxable income properly reportable for federal income tax purposes shall mean:
 - (A) Certain life insurance companies. In the case of a life insurance company subject to the tax imposed by Section 801 of the Internal Revenue Code, life insurance company taxable income, plus the amount of distribution from pre-1984 policyholder surplus accounts as calculated under Section 815a of the Internal Revenue Code;
 - (B) Certain other insurance companies. In the case of mutual insurance companies subject to the tax imposed by Section 831 of the Internal Revenue Code, insurance company taxable income;

- (C) Regulated investment companies. In the case of a regulated investment company subject to the tax imposed by Section 852 of the Internal Revenue Code, investment company taxable income;
- (D) Real estate investment trusts. In the case of a real estate investment trust subject to the tax imposed by Section 857 of the Internal Revenue Code, real estate investment trust taxable income;
- (E) Consolidated corporations. In the case of a corporation which is a member of an affiliated group of corporations filing a consolidated income tax return for the taxable year for federal income tax purposes, taxable income determined as if such corporation had filed a separate return for federal income tax purposes for the taxable year and each preceding taxable year for which it was a member of an affiliated group. For purposes of this subparagraph, the taxpayer's separate taxable income shall be determined as if the election provided by Section 243(b) (2) of the Internal Revenue Code had been in effect for all such years;
- (F) Cooperatives. In the case of a cooperative corporation or association, the taxable income of such organization determined in accordance with the provisions of Section 1381 through 1388 of the Internal Revenue Code;
- (G) Subchapter S corporations. In the case of: (i) a Subchapter S corporation for which there is in effect an election for the taxable year under Section 1362 of the Internal Revenue Code, the taxable income of such corporation determined in accordance with Section 1363(b) of the Internal Revenue Code, except that taxable income shall take into account those items which are required by Section 1363(b)(1) of the Internal Revenue Code to be separately stated; and (ii) a Subchapter S corporation for which there is in effect a federal election to opt out of the provisions of the Subchapter S Revision Act of 1982 and have applied instead the prior federal Subchapter S rules as in effect on July 1, 1982, the taxable income of such corporation determined in accordance with the federal Subchapter S rules as in effect on July 1, 1982; and
- (H) Partnerships. In the case of a partnership, taxable income determined in accordance with Section 703 of the Internal Revenue Code, except that taxable income shall take into account those items which are required by Section 703(a)(1) to be separately stated but which would be taken into account by an individual in calculating his taxable income.
- (f) Valuation limitation amount.
- (1) In general. The valuation limitation amount referred to in subsections (a) (2) (G), (c) (2) (I) and (d)(2) (E) is an amount equal to:
 - (A) The sum of the pre-August 1, 1969 appreciation amounts (to the extent consisting of gain reportable under the provisions of Section 1245 or 1250 of the Internal Revenue Code) for all property in respect of which such gain was reported for the taxable year; plus
 - was reported for the taxable year; plus

 (B) The lesser of (i) the sum of the pre-August 1,
 1969 appreciation amounts (to the extent consisting of
 capital gain) for all property in respect of which such gain
 was reported for federal income tax purposes for the taxable
 year, or (ii) the net capital gain for the taxable year,
 reduced in either case by any amount of such gain included

in the amount determined under subsection (a) (2) (F) or (c) (2) (H).

- (2) Pre-August 1, 1969 appreciation amount.
 (A) If the fair market value of property referred to in paragraph (1) was readily ascertainable on August 1, 1969, the pre-August 1, 1969 appreciation amount for such property is the lesser of (i) the excess of such fair market value over the taxpayer's basis (for determining gain) for such property on that date (determined under the Internal Revenue Code as in effect on that date), or (ii) the total gain realized and reportable for federal income tax purposes in respect of the sale, exchange or other disposition of such property.
- (B) If the fair market value of property referred to paragraph (1) was not readily ascertainable on August 1, 1969, the pre-August 1, 1969 appreciation amount for such property is that amount which bears the same ratio to the total gain reported in respect of the property for federal income tax purposes for the taxable year, as the number of full calendar months in that part of the taxpayer's holding period for the property ending July 31, 1969 bears to the number of full calendar months in the taxpayer's entire holding period for the property.
- (C) The Department shall prescribe such regulations as be necessary to carry out the purposes of this mav paragraph.
- Double deductions. Unless specifically provided otherwise, nothing in this Section shall permit the same item to be deducted more than once.
- (h) Legislative intention. Except as expressly provided by this Section there shall be no modifications or limitations on the amounts of income, gain, loss or deduction taken into account in determining gross income, adjusted gross income or taxable income for federal income tax purposes for the taxable year, or in the amount of such items entering into the computation of base income and net income under this Act for such taxable year, whether in respect of property values as of August 1, 1969 or otherwise.

(Source: P.A. 90-491, eff. 1-1-98; 90-717, eff. 8-7-98; 90-770, eff. 8-14-98; 91-192, eff. 7-20-99; 91-205, eff. 7-20-99; 91-357, eff. 7-29-99; 91-541, eff. 8-13-99; 91-676, eff. 12-23-99; 91-845, eff.

6-22-00; 91-913, eff. 1-1-01; revised 1-15-01.)
Section 15. The Illinois Prepaid Tuition Act is amended by changing Section 55 as follows:

(110 ILCS 979/55)

Sec. 55. Tax exemption. The assets of the Illinois Prepaid Tuition Trust Fund and its income and operation shall be exempt from all taxation by the State of Illinois and any of its subdivisions. The accrued earnings of Illinois prepaid tuition contracts once disbursed on behalf of an eligible beneficiary shall be similarly exempt from all taxation by the State of Illinois and any of its subdivisions, so long as they are used for educational purposes in accordance with the provisions of an Illinois prepaid tuition contract. The amount spent by a purchaser of an Illinois prepaid tuition contract during the taxable year may be deducted from adjusted gross income as provided in Section 203 of the Illinois <u>Income Tax Act.</u> The provisions of this Section are exempt from the provisions of Section 250 of the Illinois Income Tax Act. (Source: P.A. 90-546, eff. 12-1-97; 91-867, eff. 6-22-00.)

Section 99. Effective date. This Act takes effect upon becoming law.".

There being no further amendments, the foregoing Amendment No. 1, was ordered engrossed; and the bill, as amended, was ordered to a third reading.

On motion of Senator Myers, Senate Bill No. 931 having been printed, was taken up and read by title a second time.

The following amendment was offered in the Committee on State Government Operations, adopted and ordered printed:

AMENDMENT NO. 1

AMENDMENT NO. $\underline{1}$. Amend Senate Bill 931 by replacing the title with the following:

"AN ACT in relation to facilities for the Appellate Court for the Fourth Judicial District."; and

by replacing everything after the enacting clause with the following:
 "Section 5. The Supreme Court Building Act is amended by adding Section 10 as follows:

(705 ILCS 15/10 new)

Sec. 10. Use, custody, and control of facilities for the Appellate Court for the Fourth Judicial District. After renovation of the building located at 201 West Monroe Street, Springfield, Illinois (commonly known as the Waterways Building) is completed, it shall be devoted to the uses of the Appellate Court for the Fourth Judicial District. The care, custody, and control of the building, when the renovation is completed, shall be vested in the Supreme Court."

There being no further amendments, the foregoing Amendment No. 1, was ordered engrossed; and the bill, as amended, was ordered to a third reading.

On motion of Senator Burzynski, Senate Bill No. 969 having been printed, was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Demuzio, Senate Bill No. 1024 having been printed, was taken up, read by title a second time and ordered to a third reading.

On motion of Senator W. Jones, Senate Bill No. $1099\,$ having been printed, was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Peterson, Senate Bill No. $1135\,$ having been printed, was taken up and read by title a second time.

AMENDMENT NO. 1

AMENDMENT NO. $\underline{1}$. Amend Senate Bill 1135 by replacing everything after the enacting clause with the following:

"Section 5. The Illinois Housing Development Act is amended by adding Section 7.28 as follows:

(20 ILCS 3805/7.28 new)

Sec. 7.28. Tax credit for donation to sponsors. The Illinois Housing Development Authority may administer and adopt rules for an affordable housing tax donation credit program to provide tax credits for donations to sponsors of affordable housing projects as set forth in this Section.

(a) In this Section:

"Administrative housing agency" means either the Illinois Housing Development Authority or an agency of the City of Chicago.

"Affordable housing project" means either (i) a rental project in which at least 25% of the units have rents (including tenant-paid heat) that do not exceed, on a monthly basis, 30% of the gross monthly income of a household earning 60% of the area median income and at least 25% of the units are occupied by persons and families whose incomes do not exceed 60% of the median family income for the geographic area in which the residential unit is located or (ii) a unit for sale to homebuyers whose gross household income is at or below 60% of the area median income and who pay no more than 30% of their gross household income for mortgage principal, interest, property taxes, and property insurance (PITI).

"Donation" means money, securities, or real or personal property

"Donation" means money, securities, or real or personal property that is donated to a not-for-profit sponsor that is used solely for costs associated with either (i) purchasing, constructing, or rehabilitating an affordable housing project in this State, (ii) an employer-assisted housing project in this State, (iii) general operating support, or (iv) technical assistance as defined by this Section.

"Employer-assisted housing project" means either down-payment assistance, reduced-interest mortgages, mortgage guarantee programs, rental subsidies, or individual development account savings plans that are provided by employers to employees to assist in securing affordable housing near the work place, that are restricted to housing near the work place, and that are restricted to employees whose gross household income is at or below 120% of the area median income.

"General operating support" means any cost incurred by a sponsor that is a part of its general program costs and is not limited to costs directly incurred by the affordable housing project.

"Geographical area" means the metropolitan area or county designated as an area by the federal Department of Housing and Urban Development under Section 8 of the United States Housing Act of 1937, as amended, for purposes of determining fair market rental rates.

"Median income" means the incomes that are determined by the federal Department of Housing and Urban Development guidelines and adjusted for family size.

"Sponsor" means a not-for-profit organization that (i) is organized under the General Not For Profit Corporation Act of 1986 for the purpose of constructing or rehabilitating affordable housing units in this State; (ii) is organized for the purpose of constructing or rehabilitating affordable housing units and has been issued a ruling from the Internal Revenue Service of the United States Department of the Treasury that the organization is exempt from income taxation under provisions of the Internal Revenue Code; or (iii) is an organization designated as a community development corporation by the United States government under Title VII of the Economic Opportunity Act of 1964.

"Technical assistance" means any cost incurred by a sponsor for project planning, assistance with applying for financing, or counseling services provided to prospective homebuyers.

(b) A sponsor must apply to the administrative housing agency that administers the program for approval of the project. The administrative housing agency must reserve a specific amount of tax credits for each approved affordable housing project for 24 months after the date of approval. The sponsor must receive an eligible donation within that 24-month time period or donations to the project made after the end of the 24-month period are not eligible for the tax credit allowed under Section 214 of the Illinois Income Tax Act.

- The Illinois Housing Development Authority must adopt rules establishing criteria for eligible costs and donations, issuing and verifying tax credits, and selecting affordable housing projects that are eligible for a tax credit under Section 214 of the Illinois Income Tax Act.
- (d) Tax credits for employer-assisted housing are limited to that pool of tax credits that have been set aside for employer-assisted housing. Tax credits for general operating support are limited to 10% of the total tax credit allocation for a project and are also limited to that pool of tax credits that have been set aside for general operating support. Tax credits for technical assistance are limited to that pool of tax credits that have been set aside for technical assistance.
- (e) The amount of tax credits reserved by the administrative housing agency for an approved project is limited to \$13 million in the initial year and shall increase each year by 5%. The City of Chicago shall receive 24.5% of total tax credits authorized for each fiscal year. The Illinois Housing Development Authority shall receive the balance of the tax credits authorized for each fiscal fiscal The tax credits may be used anywhere in the State. The tax <u>credits have the following set-asides:</u>

 - (1) for employer-assisted housing, \$2 million; and(2) for general operating support and technical assistance, \$1 million.

The balance of the funds must be used for projects that would otherwise meet the definition of affordable housing.

(f) The administrative housing agency that issues the credit must record against the land upon which the project is located an instrument to assure that the property maintains its affordable housing compliance for a minimum of 10 years. The housing authority has flexibility to assure that the instrument does not cause undue hardship on homeowners.

Section 10. The Illinois Income Tax Act is amended by adding Section 214 as follows:

- (35 ILCS 5/214 new)
- Sec. 214. Tax credit for affordable housing donations.
- (a) Beginning with taxable years ending on or after December 31, 2001 and until the taxable year ending on December 31, 2006, a taxpayer who makes a donation under Section 7.28 of the Illinois Housing Development Act for the development of affordable housing in this State is entitled to a credit against the tax imposed by subsections (a) and (b) of Section 201 in an amount equal to 50% of the value of the donation. Partners, shareholders of subchapter S corporations, and owners of limited liability companies (if the limited liability company is treated as a partnership for purposes of federal and State income taxation) are entitled a credit under this Section to be determined in accordance with the determination of income and distributive share of income under Sections 702 and 703 and subchapter S of the Internal Revenue Code.
- (b) If the amount of the credit exceeds the tax liability for the year, the excess may be carried forward and applied to the tax liability of the 5 taxable years following the excess credit year. The tax credit shall be applied to the earliest year for which there is a tax liability. If there are credits for more than one year that are available to offset a liability, the earlier credit shall be <u>applied first.</u>
- (c) The transfer of the tax credit allowed under this Section may be made (i) to the purchaser of land that has been designated solely for affordable housing projects in accordance with the Illinois Housing Development Act or (ii) to another donor who

also made an eligible donation to the sponsor of an affordable housing project in accordance with the Illinois Housing Development

(d) A taxpayer claiming the credit provided by this Section must maintain and record any information that the Department may require by regulation regarding the affordable housing project for which the credit is claimed. When claiming the credit provided by this Section, the taxpayer must provide information regarding the taxpayer's donation to the development of affordable housing under the Illinois Housing Development Act.

Section 99. Effective date. This Act takes effect upon becoming law.".

There being no further amendments, the foregoing Amendment No. 1, was ordered engrossed; and the bill, as amended, was ordered to a third reading.

On motion of Senator O'Malley, Senate Bill No. 1152 having been printed, was taken up and read by title a second time.

The following amendment was offered in the Committee on Licensed Activities, adopted and ordered printed:

AMENDMENT NO. 1

AMENDMENT NO. $\underline{1}$. Amend Senate Bill 1152, on page 1, line 5, by replacing "Section 8" with "Sections 8 and 9"; and on page 2, below line 6, by inserting the following:

- "(225 ILCS 20/9) (from Ch. 111, par. 6359) Sec. 9. Qualification for License. A person shall be qualified to be licensed as a clinical social worker and the Department shall issue a license authorizing the independent practice of clinical social work to an applicant who:
 - (1) has applied in writing on the prescribed form;
- (2) is of good moral character. In determining good moral character, the Department may take into consideration whether the applicant was engaged in conduct or actions that would constitute grounds for discipline under this Act;
 - (3) (A) demonstrates to the satisfaction of the Department that subsequent to securing a master's degree in social work from an approved program (which shall include the masters degree program in social work at Governor's State University if the applicant received his or her master's degree in 2001) the applicant has successfully completed at least 3,000 hours of satisfactory, supervised clinical professional experience; or
 - (B) demonstrates to the satisfaction of the Department that such applicant has received a doctor's degree in social work from an approved program and has completed at least 2,000 hours of satisfactory, supervised clinical professional experience subsequent to the degree;
- (4) has passed the examination for the practice of clinical social work as authorized by the Department; and
- (5) has paid the required fees. (Source: P.A. 90-150, eff. 12-30-97.)".

There being no further amendments, the foregoing Amendment No. 1, was ordered engrossed; and the bill, as amended, was ordered to a third reading.

On motion of Senator T. Walsh, Senate Bill No. 1172 having been printed, was taken up, read by title a second time and ordered to a third reading.

REPORTS FROM STANDING COMMITTEES

Senator R. Madigan, Chairperson of the Committee on Insurance and Pensions to which was referred $Senate\ Bills\ numbered\ 42,\ 943,\ 944,\ 1046$ and 1126 reported the same back with the recommendation that the bills do pass.

Under the rules, the bills were ordered to a second reading.

Senator R. Madigan, Chairperson of the Committee on Insurance and Pensions to which was referred Senate Bills numbered 1340, 1341 and 1497 reported the same back with amendments having been adopted thereto, with the recommendation that the bills, as amended, do pass. Under the rules, the bills were ordered to a second reading.

Senator R. Madigan, Chairperson of the Committee on Insurance and Pensions to which was referred the following Senate floor amendment, reported that the Committee recommends that it be adopted:

Amendment No. 1 to Senate Bill 1254

Under the rules, the foregoing floor amendment is eligible for consideration on second reading.

Senator Dillard, Chairperson of the Committee on Local Government to which was referred Senate Bills numbered 94, 358, 677, 754, 1109, 1223 and 1282 reported the same back with the recommendation that the bills do pass.

Under the rules, the bills were ordered to a second reading.

Senator Dillard, Chairperson of the Committee on Local Government to which was referred Senate Bills numbered 663, 945, 946, 975 and 991 reported the same back with amendments having been adopted thereto, with the recommendation that the bills, as amended, do pass. Under the rules, the bills were ordered to a second reading.

Senator Syverson, Chairperson of the Committee on Public Health and Welfare to which was referred Senate Bills numbered 151, 161, 162, 163, 698, 933, 959, 1272, 1274 and 1304 reported the same back with the recommendation that the bills do pass.

Under the rules, the bills were ordered to a second reading.

Senator Syverson, Chairperson of the Committee on Public Health and Welfare to which was referred Senate Bills numbered 114, 445, 750, 950, 1033, 1081, 1276 and 1303 reported the same back with amendments having been adopted thereto, with the recommendation that the bills, as amended, do pass.

Under the rules, the bills were ordered to a second reading.

READING BILLS OF THE SENATE A SECOND TIME

On motion of Senator Peterson, Senate Bill No. 1177 having been printed, was taken up, read by title a second time and ordered to a third reading.

On motion of Senator R. Madigan, Senate Bill No. 1254 having been printed, was taken up and read by title a second time.

Senator Lauzen offered the following amendment and moved its adoption:

AMENDMENT NO. 1

AMENDMENT NO. $\underline{1}$. Amend Senate Bill 1254 by replacing everything after the enacting clause with the following:

"Section 5. The Illinois Insurance Code is amended by adding Section 356z.1 as follows:

(215 ILCS 5/356z.1 new)

Sec. 356z.1. Prenatal HIV testing. An individual or group policy of accident and health insurance that provides maternity coverage and is amended, delivered, issued, or renewed after the effective date of this amendatory Act of the 92nd General Assembly must provide coverage for prenatal HIV testing ordered by an attending physician licensed to practice medicine in all its branches, or by a physician assistant or advanced practice registered nurse who has a written collaborative agreement with a collaborating physician that authorizes these services, including but not limited to orders consistent with the recommendations of the American College of Obstetricians and Gynecologists or the American Academy of Pediatrics.

Sec. 10. The Health Maintenance Organization Act is amended by changing Section 4-6.5 as follows:

(215 ILCS 125/4-6.5)

Sec. 4-6.5. Required health benefits. A health maintenance organization is subject to the provisions of Sections 356t_{*} and 356u_{*} 356z_{*}.1 of the Illinois Insurance Code. (Source: P.A. 90-7, eff. 6-10-97.)

Section 15. The Voluntary Health Services Plans Act is amended by changing Section 10 as follows:

(215 ILCS 165/10) (from Ch. 32, par. 604)

Section 10. Application of Insurance Code provisions. Health services plan corporations and all persons interested therein or dealing therewith shall be subject to the provisions of Articles IIA and XII 1/2 and Sections 3.1, 133, 140, 143, 143c, 149, 354, 355.2, 356r, 356t, 356u, 356v, 356w, 356x, 356y, 356z.1, 367.2, 368a, 401, 401.1, 402, 403, 403A, 408, 408.2, and 412, and paragraphs (7) and (15) of Section 367 of the Illinois Insurance Code. (Source: P.A. 90-7, eff. 6-10-97; 90-25, eff. 1-1-98; 90-655, eff. 7-30-98; 90-741, eff. 1-1-99; 91-406, eff. 1-1-00; 91-549, eff. 8-14-99; 91-605, eff. 12-14-99; 91-788, eff. 6-9-00.)

Section 99. Effective date. This Act takes effect upon becoming law.".

The \mbox{motion} prevailed and the amendment was adopted and ordered $\mbox{printed.}$

There being no further amendments, the foregoing Amendment No. 1, was ordered engrossed; and the bill, as amended, was ordered to a third reading.

READING A BILL FROM THE HOUSE OF REPRESENTATIVES A THIRD TIME

On motion of Senator Clayborne, House Bill No. 258 having been printed as received from the House of Representatives, together with all Senate Amendments adopted thereto, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote: Yeas 55; Nays None.

The following voted in the affirmative:

Bomke

Bowles Burzynski Clayborne Cronin Cullerton DeLeo del Valle Demuzio Dillard Donahue Dudycz Geo-Karis Halvorson Hawkinson Hendon Jacobs Jones, W. Karpiel Klemm Lauzen Lightford Link Luechtefeld Madigan, L. Madigan, R. Mahar Molaro Munoz Myers Noland Obama O'Daniel O'Malley Parker Peterson Petka Radogno Ronen Roskam Shadid Shaw Sieben Silverstein Sullivan Syverson Trotter Viverito Walsh, L. Walsh, T. Watson Weaver Welch Woolard

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof.

[Mar. 27, 2001]

Mr. President

READING BILLS OF THE SENATE A THIRD TIME

On motion of Senator Parker, Senate Bill No. 755, having been transcribed and typed and all amendments adopted thereto having been printed, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote: Yeas 55; Nays None; Present 1.

The following voted in the affirmative:

Bomke Bowles Burzynski Clayborne Cronin Cullerton DeLeo del Valle Demuzio Dillard Donahue Dudycz Geo-Karis Halvorson Hawkinson Jacobs Jones, E. Jones, W. Karpiel Klemm Lauzen Lightford Link Luechtefeld Madigan, L. Madigan, R. Mahar Molaro Munoz Myers Noland Obama O'Daniel O'Malley Parker Peterson Petka Radogno Rauschenberger Ronen Roskam Shadid Sieben Silverstein Sullivan Syverson Trotter Viverito

Walsh, L.

Walsh, T.
Watson
Weaver
Welch
Woolard
Mr. President

The following voted present:

Shaw

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence therein.

On motion of Senator Klemm, Senate Bill No. 800, having been transcribed and typed and all amendments adopted thereto having been printed, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote: Yeas 57; Nays None.

The following voted in the affirmative:

Bomke Bowles Burzynski Clayborne Cronin Cullerton DeLeo del Valle Demuzio Dillard Donahue Dudycz Geo-Karis Halvorson Hawkinson Hendon Jacobs Jones, E. Jones, W. Karpiel Klemm Lauzen Lightford Link Luechtefeld Madigan, L. Madigan, R. Mahar Molaro Munoz Myers Noland Obama O'Daniel O'Malley

Parker Peterson Petka Radogno Rauschenberger Ronen Roskam Shadid Shaw Sieben Silverstein Sullivan Syverson Trotter Viverito Walsh, L. Walsh, T. Watson Weaver Welch Woolard Mr. President

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence therein.

On motion of Senator Sullivan, Senate Bill No. 816, having been transcribed and typed and all amendments adopted thereto having been printed, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote: Yeas 55; Nays None.

The following voted in the affirmative:

Bomke Bowles Clayborne Cronin Cullerton DeLeo del Valle Demuzio Dillard Donahue Dudycz Geo-Karis Halvorson Hawkinson Hendon Jacobs Jones, W. Karpiel Klemm Lauzen Lightford Link Luechtefeld

Madigan, L. Madigan, R. Mahar Molaro Munoz Myers Noland Obama O'Daniel O'Malley Parker Peterson Petka Radogno Rauschenberger Ronen Roskam Shadid Shaw Sieben Silverstein Sullivan Syverson Trotter Viverito Walsh, L. Walsh, T. Watson Weaver Welch Woolard Mr. President

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence therein.

On motion of Senator Noland, Senate Bill No. 819, having been transcribed and typed and all amendments adopted thereto having been printed, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote: Yeas 57; Nays None.

The following voted in the affirmative:

Bomke
Bowles
Burzynski
Clayborne
Cronin
Cullerton
DeLeo
del Valle
Demuzio
Dillard
Donahue
Dudycz
Geo-Karis

Halvorson Hawkinson Hendon Jacobs Jones, E. Jones, W. Karpiel Klemm Lauzen Lightford Link Luechtefeld Madigan, L. Madigan, R. Mahar Molaro Munoz Myers Noland Obama O'Daniel O'Malley Parker Peterson Petka Radogno Rauschenberger Ronen Roskam Shadid Shaw Sieben Silverstein Sullivan Syverson Trotter Viverito Walsh, L. Walsh, T. Watson Weaver Welch Woolard Mr. President

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence therein.

On motion of Senator Watson, Senate Bill No. 825, having been transcribed and typed and all amendments adopted thereto having been printed, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote: Yeas 57; Nays None.

The following voted in the affirmative:

Bomke

Bowles Burzynski Clayborne Cronin Cullerton DeLeo del Valle Demuzio Dillard Donahue Dudycz Geo-Karis Halvorson Hawkinson Hendon Jacobs Jones, E. Jones, W. Karpiel Klemm Lauzen Lightford Link Luechtefeld Madigan, L. Madigan, R. Mahar Molaro Munoz Myers Noland Obama O'Daniel O'Malley Parker Peterson Petka Radogno Rauschenberger Ronen Roskam Shadid Shaw Sieben Silverstein Sullivan Syverson Trotter Viverito Walsh, L. Walsh, T. Watson Weaver Welch Woolard

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

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Mr. President

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence therein.

On motion of Senator Dillard, Senate Bill No. 829, having been transcribed and typed and all amendments adopted thereto having been printed, was taken up and read by title a third time.

printed, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote: Yeas 55; Nays None.

The following voted in the affirmative:

Bomke Bowles Burzynski Clayborne Cronin Cullerton DeLeo del Valle Demuzio Dillard Donahue Dudycz Geo-Karis Halvorson Hawkinson Hendon Jacobs Jones, E. Jones, W. Klemm Lauzen Lightford Link Madigan, L. Madigan, R. Mahar Molaro Munoz Myers Noland Obama O'Daniel O'Malley Parker Peterson Petka Radogno Rauschenberger Ronen Roskam Shadid Shaw Sieben Silverstein Sullivan Syverson Trotter Viverito Walsh, L.

Walsh, T.
Watson
Weaver
Welch
Woolard
Mr. President

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence therein.

On motion of Senator T. Walsh, Senate Bill No. 835, having been transcribed and typed and all amendments adopted thereto having been printed, was taken up and read by title a third time.

printed, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote: Yeas 52; Nays 4.

The following voted in the affirmative:

Bomke Bowles Burzynski Clayborne Cullerton DeLeo del Valle Dillard Donahue Dudycz Geo-Karis Halvorson Hendon Jacobs Jones, E. Jones, W. Karpiel Klemm Lauzen Lightford Link Luechtefeld Madigan, L. Madigan, R. Mahar Molaro Munoz Myers Noland Obama O'Daniel O'Malley Parker Peterson Petka Radogno Rauschenberger Ronen Roskam

Shadid Shaw Sieben Silverstein Sullivan Trotter Viverito Walsh, L. Walsh, T. Watson Weaver Woolard Mr. President

The following voted in the negative:

Demuzio Hawkinson Syverson Welch

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence therein.

On motion of Senator Bomke, Senate Bill No. 837, having been transcribed and typed and all amendments adopted thereto having been printed, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote: Yeas 57; Nays None.

The following voted in the affirmative:

Bomke Bowles Burzynski Clayborne Cronin Cullerton DeLeo del Valle Demuzio Dillard Donahue Dudycz Geo-Karis Halvorson Hawkinson Hendon Jacobs Jones, E. Jones, W. Karpiel Klemm Lauzen Lightford Link Luechtefeld

Madigan, L. Madigan, R. Mahar Molaro Munoz Myers Noland Obama O'Daniel O'Malley Parker Peterson Petka Radogno Rauschenberger Ronen Roskam Shadid Shaw Sieben Silverstein Sullivan Syverson Trotter Viverito Walsh, L. Walsh, T. Watson Weaver Welch Woolard Mr. President

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence therein.

On motion of Senator Karpiel, Senate Bill No. 850, having been transcribed and typed and all amendments adopted thereto having been printed, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote: Yeas 57; Nays None.

The following voted in the affirmative:

Bomke
Bowles
Burzynski
Clayborne
Cronin
Cullerton
DeLeo
del Valle
Demuzio
Dillard
Donahue
Dudycz
Geo-Karis

Halvorson Hawkinson Hendon Jacobs Jones, E. Jones, W. Karpiel Klemm Lauzen Lightford Link Luechtefeld Madigan, L. Madigan, R. Mahar Molaro Munoz Myers Noland Obama O'Daniel O'Malley Parker Peterson Petka Radogno Rauschenberger Ronen Roskam Shadid Shaw Sieben Silverstein Sullivan Syverson Trotter Viverito Walsh, L. Walsh, T. Watson Weaver Welch Woolard Mr. President

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence therein.

On motion of Senator Peterson, Senate Bill No. 853, having been transcribed and typed and all amendments adopted thereto having been printed, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote: Yeas 56; Nays None.

The following voted in the affirmative:

Bomke

Bowles Burzynski Clayborne Cronin Cullerton DeLeo del Valle Demuzio Dillard Donahue Dudycz Geo-Karis Halvorson Hawkinson Hendon Jacobs Jones, E. Jones, W. Karpiel Klemm Lauzen Lightford Link Luechtefeld Madigan, L. Madigan, R. Mahar Molaro Munoz Myers Noland Obama O'Daniel O'Malley Parker Peterson Petka Radogno Ronen Roskam Shadid Shaw Sieben Silverstein Sullivan Syverson Trotter Viverito Walsh, L. Walsh, T. Watson Weaver Welch Woolard

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives

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Mr. President

thereof and ask their concurrence therein.

On motion of Senator Peterson, Senate Bill No. 854, having been transcribed and typed and all amendments adopted thereto having been printed, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote: Yeas 56; Nays None.

The following voted in the affirmative:

Bomke Bowles Burzynski Clayborne Cronin Cullerton DeLeo del Valle Demuzio Dillard Donahue Dudycz Geo-Karis Halvorson Hawkinson Hendon Jacobs Jones, E. Jones, W. Karpiel Klemm Lauzen Lightford Link Luechtefeld Madigan, L. Madigan, R. Mahar Molaro Munoz Myers Noland Obama O'Daniel O'Malley Parker Peterson Petka Radogno Rauschenberger Ronen Roskam Shadid Shaw Sieben Silverstein Sullivan Syverson Viverito Walsh, L.

Walsh, T.
Watson
Weaver
Welch
Woolard
Mr. President

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence therein.

On motion of Senator Peterson, Senate Bill No. 855, having been transcribed and typed and all amendments adopted thereto having been printed, was taken up and read by title a third time.

printed, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote: Yeas 56; Nays None.

The following voted in the affirmative:

Bomke Bowles Burzynski Clayborne Cronin Cullerton DeLeo del Valle Demuzio Dillard Donahue Dudycz Geo-Karis Halvorson Hawkinson Hendon Jacobs Jones, E. Jones, W. Karpiel Klemm Lauzen Lightford Link Luechtefeld Madigan, L. Madigan, R. Mahar Molaro Munoz Myers Noland Obama O'Daniel O'Malley Parker Peterson Petka Radogno

Rauschenberger Ronen Roskam Shadid Shaw Sieben Silverstein Sullivan Syverson Viverito Walsh, L. Walsh, T. Watson Weaver Welch Woolard Mr. President

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence therein.

On motion of Senator O'Malley, Senate Bill No. 862, having been transcribed and typed and all amendments adopted thereto having been printed, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote: Yeas 56; Nays None.

The following voted in the affirmative:

Bomke Bowles Burzynski Clayborne Cronin Cullerton DeLeo del Valle Demuzio Dillard Donahue Dudycz Geo-Karis Halvorson Hawkinson Hendon Jacobs Jones, E. Jones, W. Karpiel Klemm Lauzen Lightford Link Luechtefeld Madigan, L. Madigan, R.

Mahar

Molaro Munoz Myers Noland Obama O'Daniel O'Malley Parker Peterson Petka Radogno Ronen Roskam Shadid Shaw Sieben Silverstein Sullivan Syverson Trotter Viverito Walsh, L. Walsh, T. Watson Weaver Welch Woolard Mr. President

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence therein.

SENATE BILL RECALLED

On motion of Senator Watson, Senate Bill No. 871 was recalled from the order of third reading to the order of second reading.

Senator Watson offered the following amendment and moved its adoption:

AMENDMENT NO. 1

AMENDMENT NO. 1. Amend Senate Bill 871 as follows: on page 2, line 32, after "jurisdiction.", by inserting "This delegation of permit authority does not include governmental projects, public waters projects, dams, and livestock facilities regulated under the Livestock Management Facilities Act.".

The motion prevailed.

And the amendment was adopted and ordered printed.

There being no further amendments, the foregoing Amendment No. 1 was ordered engrossed; and the bill, as amended, was ordered to a third reading.

READING BILLS OF THE SENATE A THIRD TIME

On motion of Senator Rauschenberger, Senate Bill No. 873, having [Mar. 27, 2001]

been transcribed and typed and all amendments adopted thereto having been printed, was taken up and read by title a third time. And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote: Yeas 57; Nays None.

The following voted in the affirmative:

Bomke Bowles

Burzynski

Clayborne

Cronin

Cullerton

DeLeo

del Valle

Demuzio

Dillard

Donahue

Dudycz

Geo-Karis

Halvorson

Hawkinson

Hendon

Jacobs

Jones, E. Jones, W.

Karpiel

Klemm

Lauzen

Lightford

Link

Luechtefeld

Madigan, L.

Madigan, R.

Mahar

Molaro

Munoz

Myers

Noland

Obama

O'Daniel O'Malley

Parker

Peterson

Petka

Radogno

Rauschenberger

Ronen

Roskam

Shadid Shaw

Sieben

Silverstein

Sullivan

Syverson

Trotter

Viverito

Walsh, L.

Walsh, T.

Watson

Weaver Welch Woolard Mr. President

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence therein.

On motion of Senator Burzynski, Senate Bill No. 877, having been transcribed and typed and all amendments adopted thereto having been printed, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote: Yeas 57; Nays None.

The following voted in the affirmative:

Bomke Bowles Burzynski Clayborne Cronin Cullerton Detien del Valle Demuzio Dillard Donahue Dudycz Geo-Karis Halvorson Hawkinson Hendon Jacobs Jones, E. Jones, W. Karpiel KlemmLauzen Lightford Link Luechtefeld Madigan, L. Madigan, R. Mahar Molaro Munoz Myers Noland Obama O'Daniel O'Malley Parker Peterson Petka Radogno Rauschenberger Ronen

Roskam Shadid Shaw Sieben Silverstein Sullivan Syverson Trotter Viverito Walsh, L. Walsh, T. Watson Weaver Welch Woolard Mr. President

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence therein.

On motion of Senator O'Malley, Senate Bill No. 879, having been transcribed and typed and all amendments adopted thereto having been printed, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote: Yeas 57; Nays None.

The following voted in the affirmative:

Bomke Bowles Burzynski Clayborne Cronin Cullerton DeLeo del Valle Demuzio Dillard Donahue Dudycz Geo-Karis Halvorson Hawkinson Hendon Jacobs Jones, E. Jones, W. Karpiel Klemm Lauzen Lightford Link Luechtefeld Madigan, L. Madigan, R. Mahar Molaro

Munoz Myers Noland Obama O'Daniel O'Malley Parker Peterson Pet.ka Radogno Rauschenberger Ronen Roskam Shadid Shaw Sieben Silverstein Sullivan Syverson Trotter Viverito Walsh, L. Walsh, T. Watson Weaver Welch Woolard Mr. President

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence therein.

On motion of Senator Mahar, Senate Bill No. 882, having been transcribed and typed and all amendments adopted thereto having been printed, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote: Yeas 57; Nays None.

The following voted in the affirmative:

Bomke Bowles Burzynski Clayborne Cronin Cullerton DeLeo del Valle Demuzio Dillard Donahue Dudycz Geo-Karis Halvorson Hawkinson Hendon Jacobs

Jones, E. Jones, W. Karpiel Klemm Lauzen Lightford Link Luechtefeld Madigan, L. Madigan, R. Mahar Molaro Munoz Myers Noland Obama O'Daniel O'Malley Parker Peterson Petka Radogno Rauschenberger Ronen Roskam Shadid Shaw Sieben Silverstein Sullivan Syverson Trotter Viverito Walsh, L. Walsh, T. Watson Weaver Welch Woolard Mr. President

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence therein.

On motion of Senator Geo-Karis, Senate Bill No. 883, having been transcribed and typed and all amendments adopted thereto having been printed, was taken up and read by title a third time.

printed, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote: Yeas 41; Nays 12.

The following voted in the affirmative:

Bomke Bowles Cronin Cullerton DeLeo

del Valle Demuzio Geo-Karis Halvorson Hendon Jacobs Jones, E. Jones, W. Karpiel Lauzen Lightford Link Madigan, L. Molaro Munoz Myers Noland Obama O'Daniel O'Malley Parker Peterson Petka Radogno Ronen Roskam Shadid Shaw Sieben Silverstein Sullivan Trotter Viverito Walsh, T. Welch Mr. President

The following voted in the negative:

Burzynski Dillard Donahue Dudycz Hawkinson Klemm Madigan, R. Mahar Walsh, L. Watson Weaver Woolard

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence therein.

On motion of Senator Mahar, Senate Bill No. 884, having been transcribed and typed and all amendments adopted thereto having been

printed, was taken up and read by title a third time.
 And the question being, "Shall this bill pass?" it was decided in
the affirmative by the following vote: Yeas 57; Nays None.

The following voted in the affirmative:

Bomke Bowles Burzynski Clayborne Cronin Cullerton DeLeo del Valle Demuzio Dillard Donahue Dudycz Geo-Karis Halvorson Hawkinson Hendon Jacobs Jones, E. Jones, W. Karpiel KlemmLauzen Lightford Link Luechtefeld Madigan, L. Madigan, R. Mahar Molaro Munoz Myers Noland Obama O'Daniel O'Malley Parker Peterson Petka Radogno Rauschenberger Ronen Roskam Shadid Shaw Sieben Silverstein Sullivan Syverson Trotter Viverito Walsh, L. Walsh, T.

Watson Weaver

Welch Woolard Mr. President

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence therein.

PRESENTATION OF RESOLUTION

SENATE RESOLUTION NO. 94

Offered by Senator Cullerton and all Senators: Mourns the death of Elizabeth E. Shannon of Chicago.

The foregoing resolution was referred to the Resolutions Consent Calendar.

READING BILLS FROM THE HOUSE OF REPRESENTATIVES A FIRST TIME

House Bill No. 23, sponsored by Senators Syverson - L. Madigan was taken up, read by title a first time and referred to the Committee on Rules.

House Bill No. 36, sponsored by Senator Noland was taken up, read by title a first time and referred to the Committee on Rules.

House Bill No. 173, sponsored by Senator Cullerton was taken up, read by title a first time and referred to the Committee on Rules.

House Bill No. 201, sponsored by Senators Demuzio - L. Madigan was taken up, read by title a first time and referred to the Committee on Rules.

House Bill No. 207, sponsored by Senator O'Malley was taken up, read by title a first time and referred to the Committee on Rules.

House Bill No. 233, sponsored by Senator Bomke was taken up, read by title a first time and referred to the Committee on Rules.

House Bill No. 253, sponsored by Senator Woolard was taken up, read by title a first time and referred to the Committee on Rules.

House Bill No. 400, sponsored by Senator Obama was taken up, read by title a first time and referred to the Committee on Rules.

House Bill No. 417, sponsored by Senator Woolard was taken up, read by title a first time and referred to the Committee on Rules.

House Bill No. 445, sponsored by Senator Mahar was taken up, read by title a first time and referred to the Committee on Rules.

House Bill No. 513, sponsored by Senator Bomke was taken up, read by title a first time and referred to the Committee on Rules.

House Bill No. 525, sponsored by Senator Bomke was taken up, read [Mar. 27, 2001]

by title a first time and referred to the Committee on Rules.

House Bill No. 542, sponsored by Senator Myers was taken up, read by title a first time and referred to the Committee on Rules.

House Bill No. 605, sponsored by Senator Noland was taken up, read by title a first time and referred to the Committee on Rules.

House Bill No. 678, sponsored by Senator Watson was taken up, read by title a first time and referred to the Committee on Rules.

House Bill No. 681, sponsored by Senator Dudycz was taken up, read by title a first time and referred to the Committee on Rules.

House Bill No. 714, sponsored by Senator Halvorson was taken up, read by title a first time and referred to the Committee on Rules.

House Bill No. 752, sponsored by Senator Myers was taken up, read by title a first time and referred to the Committee on Rules.

House Bill No. 770, sponsored by Senator Myers was taken up, read by title a first time and referred to the Committee on Rules.

House Bill No. 875, sponsored by Senator Ronen was taken up, read by title a first time and referred to the Committee on Rules.

House Bill No. 921, sponsored by Senator Noland was taken up, read by title a first time and referred to the Committee on Rules.

House Bill No. 977, sponsored by Senator O'Malley was taken up, read by title a first time and referred to the Committee on Rules.

House Bill No. 1070, sponsored by Senator Rauschenberger was taken up, read by title a first time and referred to the Committee on Rules.

House Bill No. 1692, sponsored by Senator Dillard was taken up, read by title a first time and referred to the Committee on Rules.

House Bill No. 1694, sponsored by Senator Burzynski was taken up, read by title a first time and referred to the Committee on Rules.

House Bill No. 1700, sponsored by Senator Peterson was taken up, read by title a first time and referred to the Committee on Rules.

House Bill No. 1822, sponsored by Senator Sieben was taken up, read by title a first time and referred to the Committee on Rules.

House Bill No. 1911, sponsored by Senators Hendon - Lightford was taken up, read by title a first time and referred to the Committee on Rules.

House Bill No. 1927, sponsored by Senator Karpiel was taken up, read by title a first time and referred to the Committee on Rules.

House Bill No. 2011, sponsored by Senators Lightford - Hendon was taken up, read by title a first time and referred to the Committee on Rules.

House Bill No. 2230, sponsored by Senator Mahar was taken up,

read by title a first time and referred to the Committee on Rules.

House Bill No. 2247, sponsored by Senator Dudycz was taken up, read by title a first time and referred to the Committee on Rules.

House Bill No. 2249, sponsored by Senator Karpiel was taken up, read by title a first time and referred to the Committee on Rules.

House Bill No. 2265, sponsored by Senator Halvorson was taken up, read by title a first time and referred to the Committee on Rules.

House Bill No. 2266, sponsored by Senator Halvorson was taken up, read by title a first time and referred to the Committee on Rules.

House Bill No. 2268, sponsored by Senator Radogno was taken up, read by title a first time and referred to the Committee on Rules.

House Bill No. 2301, sponsored by Senator Karpiel was taken up, read by title a first time and referred to the Committee on Rules.

House Bill No. 2412, sponsored by Senator Weaver was taken up, read by title a first time and referred to the Committee on Rules.

House Bill No. 2436, sponsored by Senator Burzynski was taken up, read by title a first time and referred to the Committee on Rules.

House Bill No. 2556, sponsored by Senator Sieben was taken up, read by title a first time and referred to the Committee on Rules.

House Bill No. 2567, sponsored by Senator Peterson was taken up, read by title a first time and referred to the Committee on Rules.

 $House\ Bill\ No.\ 3055,$ sponsored by Senator Woolard was taken up, read by title a first time and referred to the Committee on Rules.

House Bill No. 3068, sponsored by Senator Lightford was taken up, read by title a first time and referred to the Committee on Rules.

House Bill No. 3099, sponsored by Senator Woolard was taken up, read by title a first time and referred to the Committee on Rules.

House Bill No. 3105, sponsored by Senator Dillard was taken up, read by title a first time and referred to the Committee on Rules.

House Bill No. 3145, sponsored by Senator Donahue was taken up, read by title a first time and referred to the Committee on Rules.

LEGISLATIVE MEASURES FILED

The following floor amendments to the Senate Bills listed below have been filed with the Secretary, and referred to the Committee on Rules:

Senate Amendment No. 1 to Senate Bill 107 Senate Amendment No. 1 to Senate Bill 540

At the hour of 2:19 o'clock p.m., on motion of Senator Peterson, the Senate stood adjourned until Wednesday, March 28, 2001 at 12:30 o'clock p.m.